



Cluey June 2024 Quarterly Activities Report and Appendix 4C

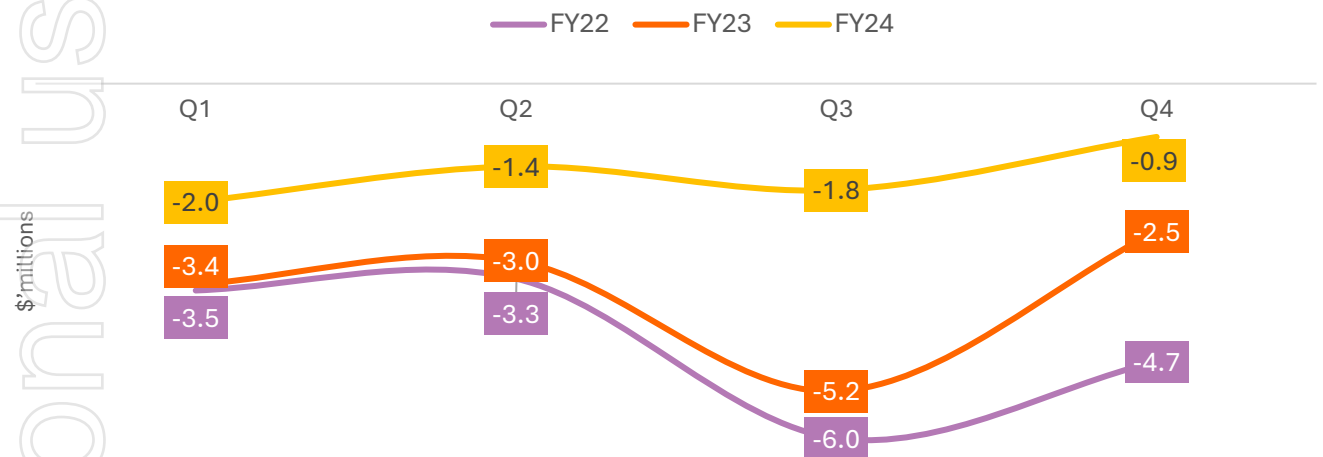
Cluey Ltd (ASX: CLU) (“Cluey”, the “Company”, or the “Group”) is pleased to release its Appendix 4C Quarterly Cashflow Report and Quarterly Activities Report for the quarter ending 30 June 2024 (“Q4 FY24”).

Matteo Trinca, Joint CEO, said: “The strategic decision to focus on profitability ahead of growth is delivering the expected results. Q4 FY24 delivered the lowest-ever EBITDA loss and cash burn. We have now recorded eight consecutive quarters of improvement in EBITDA versus PCP and six consecutive quarters of reduction in cash burn versus PCP. The company is on the way to achieving profitability.”

Highlights

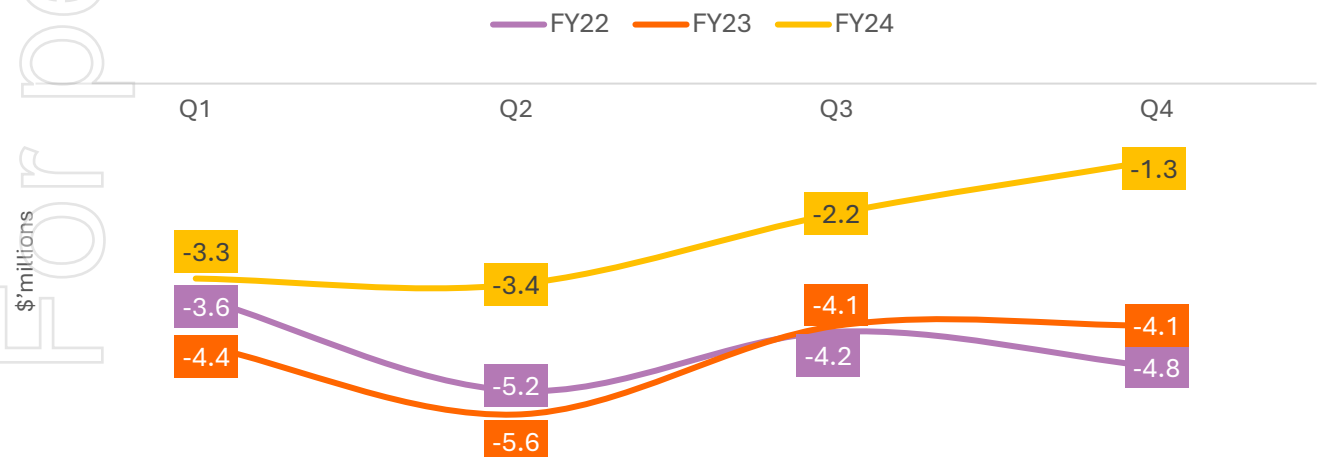
- Improvement of 64% in Group Q4 FY24 Underlying EBITDA¹ loss of \$0.9 million compared to the prior corresponding period (Q4 FY23) (‘PCP’) loss of \$2.5 million.

GROUP UNDERLYING EBITDA



- 68% improvement in Group Q4 FY24 Cash burn² of \$1.3 million, compared to PCP of \$4.1 million (refer to the chart below).

GROUP CASH BURN



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

² Cash burn includes net cash from / used in operating activities and investing activities.

Fully Underwritten Entitlement Offer

The Company is pleased to announce a \$4.5 million fully underwritten Entitlement Offer at \$0.03 per share. These funds will be used to strengthen the Company's balance sheet and provide working capital to support the company's profitability and growth initiatives. Details pertaining to this offer will be announced separately.

Key Group Metrics

Revenue³	Gross Profit³
\$6.9M -31% on PCP	\$4.0m -31% on PCP
Gross Profit Margin (%)³	Underlying EBITDA⁴
58.4% +0.4% on PCP	-\$0.9m +64% on PCP
Operating Cashflow Result⁵	New Students⁶
-\$1.1m +70% on PCP	7,664 -33% on PCP
Student Sessions⁷	Variable CAC per New Student⁸
123k -20% on PCP	\$207 -36% (improvement) on PCP

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

- management's strategic decision to reduce spend on customer acquisition to prioritise cash preservation ahead of growth
- a compositional shift from Cluey Learning student sessions to Code Camp after-school sessions, with Code Camp after-school sessions yielding a lower average revenue per student
- the macro-economic environment characterised by increasing pressure on household budgets and reduction in discretionary spend

The successful implementation of strategies to shift from growth to profitability is demonstrated in the following charts, with the Company's key metrics moving in the right direction.

³ Revenue, gross profit and gross profit margin amounts disclosed are unaudited.

⁴ Underlying EBITDA is unaudited and adjusted for one-off restructuring costs and share-based payment expense.

⁵ Operating cashflow result per the ASX Appendix 4C.

⁶ New Students for Cluey Learning and Code Camp divisions are those students who had a session in the period.

⁷ Includes Cluey Learning division tutoring sessions and attendance days at Code Camp division after-school and school holiday programs.

⁸ 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 the Cluey Learning and Code Camp divisions. 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).

Improvements in KPIs

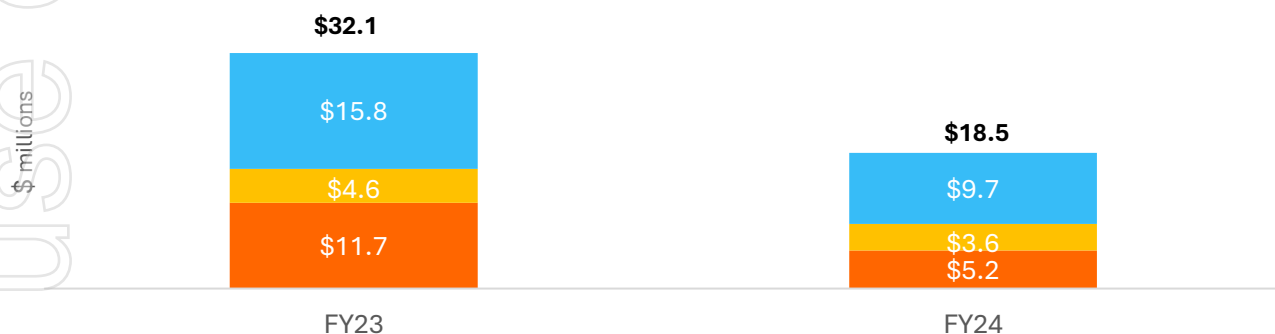
Reduction in Cluey Learning Divisional Operating Costs⁹

Cluey Learning successfully implemented a range of cost-saving initiatives:

- In Q4 FY24, a \$3.4 million (48%) reduction in operating¹⁰ and marketing costs, from \$7.1 million in Q4 FY23 to \$3.7 million in Q4 FY24.
- In FY24, a \$13.6 million (42%) reduction in operating¹¹ and marketing costs, from \$32.1 million in FY23 to \$18.5 million in FY24 (refer to the chart below).

CLUEY LEARNING DIVISION OPERATING & MARKETING COSTS

Marketing Corporate & Admin Employment

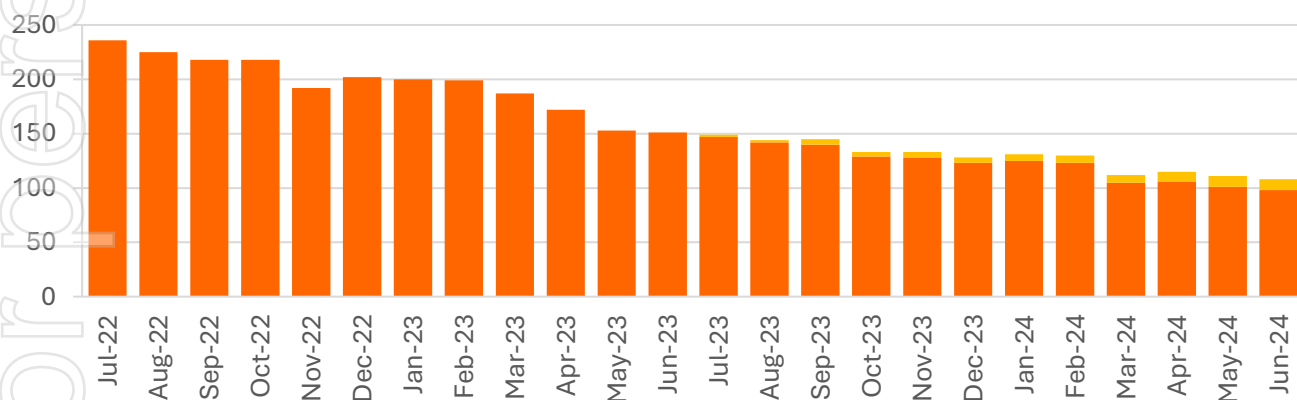


Reduction in Group FTEs

The Group implemented a streamlined organisational structure and extensive automation of internal processes, resulting in a significant reduction in full-time equivalent ('FTE') employees (refer to the chart below).

GROUP FTEs

Australia UK



⁹ FY24 operating costs disclosed are unaudited

¹⁰ Excluding one-off restructuring costs amounting to \$0.1 million and \$0.3 million in Q4 FY24 and Q4 FY23 respectively.

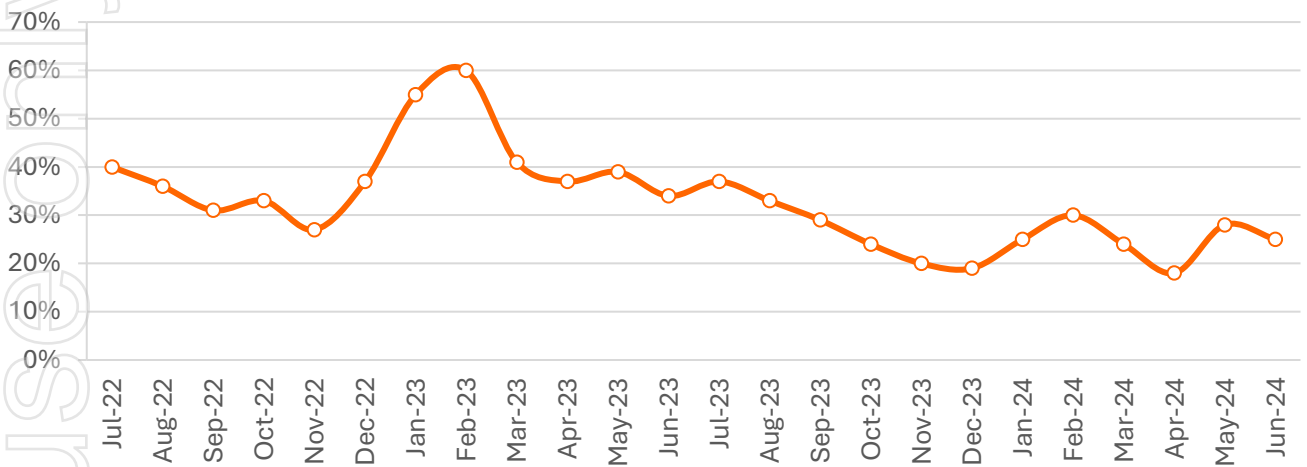
¹¹ Excluding one-off restructuring costs amounting to \$0.6 million and \$1.0 million in FY24 and FY23 respectively

Sales and Marketing Optimisation

Ongoing sales and marketing optimisation initiatives continue to reduce Group Variable CAC to \$207, a 36% improvement on PCP. In Q4FY24, Group Marketing CAC¹² declined to \$143 versus \$280 in PCP, an improvement of 49%. Group Marketing CAC is now at the lowest level since inception.

Ongoing improvements in marketing and sales continues to drive efficiency in customer acquisition (see chart below).

GROUP VARIABLE CAC AS % OF REVENUE

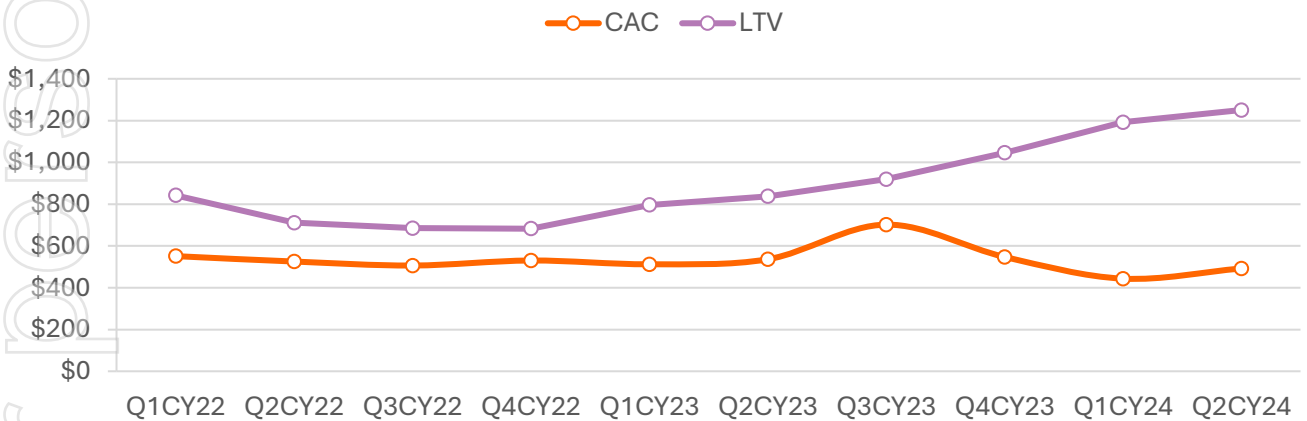


Lifetime Value and Customer Acquisition Cost

Following the release of various product and service improvements, and the introduction of new pricing plans in the Cluey Learning division, Group student retention and Lifetime Value (LTV)¹³ continues to improve (see chart below).

CLUEY LEARNING DIVISION

LTV vs CAC



¹² Group Marketing CAC is the total marketing media cost for the Group divided by the number of new students who had a session in the period.

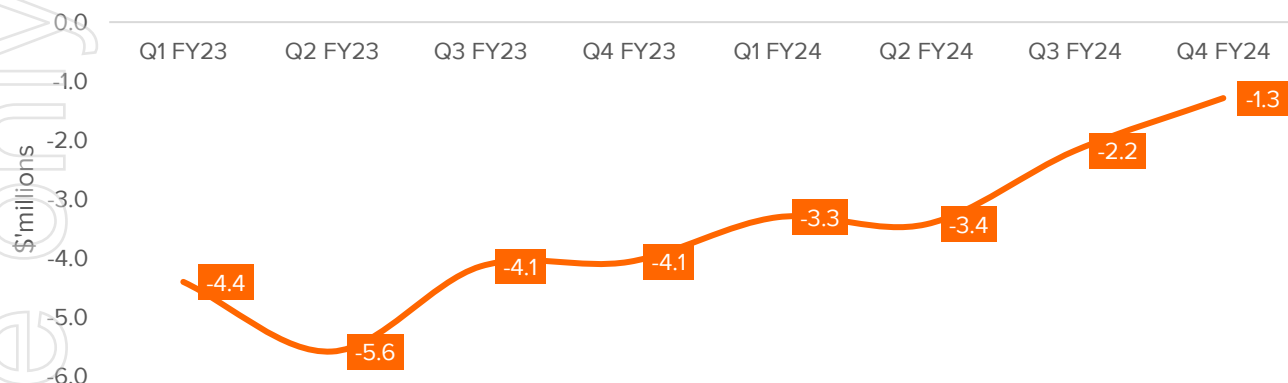
¹³ LTV is calculated by multiplying the average Lifetime Revenue for a student by the relevant gross profit margin for the respective periods.

Reducing Cash Burn

The implementation of various cost saving initiatives and focus on driving to profitability has resulted in a significant decline in Cash Burn.

QUARTERLY CASH BURN

Cashburn



Given the significant improvement in key operating metrics, the company is now well-positioned to grow student numbers and revenues at a sustainable pace. This shift to growth has commenced, with forward booked student sessions in the Cluey Learning division increasing month-on-month in Q4 FY24.

Quarterly Cashflow Report

The Appendix 4C Quarterly Cashflow Report for Q4 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 through its Cluey Learning subsidiary
- 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 \$7.7 million in the quarter, a reduction of 28% on cash receipts of \$10.7 million in PCP
- cash payments for advertising and marketing (including prepayments) in the quarter of \$1.2 million, a reduction of 68% compared to \$3.6 million in PCP
- cash payments to staff, instructors and tutors (excluding restructuring costs of \$0.1 million) disclosed in cashflow from operating activities in the quarter of \$5.7 million, a reduction of 30% compared to \$8.1 million in PCP

The total operating cash burn for Q4 FY24 was \$1.1 million (including \$0.1 million in one-off restructuring costs), an improvement of \$2.6 million (70%) compared to PCP. Total cash burn for Q4 FY24 was \$1.3 million (including operating and investing activities), an improvement of \$2.5 million (66%) compared to PCP.

Total cash on hand, including term deposits as of 30 June 2024, amounted to \$4.5 million.

Payments to Directors and Related Parties

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

- \$96,000 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:

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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 through its wholly owned subsidiary, Cluey Learning. 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.

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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")

30 June 2024

Consolidated statement of cash flows	Current quarter	Year to date (12 months)
	\$A'000	\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7,692	33,267
1.2 Payments for:	0	0
(a) research and development	0	0
(b) product manufacturing and operating costs	0	0
(c) advertising and marketing	(1,168)	(7,350)
(d) leased assets	(116)	(500)
(e) staff costs ¹	(5,672)	(25,321)
(f) administration and corporate costs	(1,756)	(8,402)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	19	212
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	(97)	(648)
1.9 Net cash from / (used in) operating activities	(1,098)	(8,742)
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	(1)	(8)
(d) investments	0	0
(e) intellectual property ²	(192)	(1,462)
(f) other non-current assets	0	0
2.2 Proceeds from disposal of:	0	0
(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	(193)	(1,470)

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 \$192k in the quarter, and \$1,422k YTD

Consolidated statement of cash flows		Current quarter	Year to date
		\$A'000	(12 months)
			\$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	5,769	14,700
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,098)	(8,742)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(193)	(1,470)
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	(12)	(22)
4.6	Cash and cash equivalents at end of period	4,466	4,466
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	Previous quarter
		\$A'000	\$A'000
5.1	Bank balances	3,446	4,757
5.2	Call deposits	1,020	1,012
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)	4,466	5,769
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)	96	
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0	
<i>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.</i>			

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)	(1,098)
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,466
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	4,466
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.0
<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

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

Date: 23 July 2024

Authorised by: the Board of Cluey Ltd

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

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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.

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