



ASX Announcement

7 November 2024

Chairman's Address to the Annual General Meeting of Shareholders

Cluey Ltd (ASX: CLU) ("Cluey" or the "Company") is pleased to release the attached transcript of the Chairman's address to the Annual General Meeting of Shareholders being held today, 7 November 2024 at 11:00am (AEST).

ENDS

Authorised for release to the ASX by the Company Secretary.

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.

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Chairman's address to the Annual General Meeting of Shareholders, Thursday 7 November 2024

Fellow shareholders, we are pleased to meet today in person, at our fourth AGM since listing on the ASX in December 2020. This year has been pivotal for Cluey as we shifted our focus towards reaching profitability against the backdrop of a difficult economic environment characterised by persistent inflation and reduced discretionary consumer spending.

During my brief remarks, I will reiterate some key financial highlights and initiatives we have undertaken in the past year.

FY24 Highlights

- 56% improvement in Group Underlying EBITDA loss of \$6.2 million in FY24 compared to FY23 loss of \$14.2 million
- \$13 million reduction in Group Operating and Marketing costs in FY24 compared to FY23
- \$8 million reduction in annual cash burn in FY24 compared to FY23
- Variable customer acquisition cost of \$270, a reduction (improvement) of 23% on FY23
- 2% improvement in Gross Profit Margin in FY24, to 58.3%

As Australia's largest online school tutoring and education support company, Cluey continues to lead in delivering personalised learning services for students across K-12 in Australia and New Zealand. We also provide coding and digital skills education, primarily through after-school and holiday programs, which are increasingly essential in a digitally driven world.

Recent National NAPLAN results have shown that one in three Australian students is performing below literacy and numeracy benchmarks, and both the shortage of teachers and the need for more high-quality, qualified teachers in schools remain an ongoing concern. This reinforces the critical role Cluey plays in supporting students outside the classroom. Federal Education Minister Jason Clare has not yet won State support for catch-up tutoring in schools, which Cluey and other services can provide. However, our research suggests that approximately half of Australia's four million students are utilising or considering private educational support. Historically, education has proven to be a resilient sector during economic downturns, and Cluey is well-positioned to continue serving this growing market.

In an era defined by rapid technological change, Cluey recognises the need to remain agile and innovative. Leveraging our vast data collection capabilities, we have integrated AI-driven solutions to enhance the learning experience. However, we believe that while AI can support and optimise learning, it will not replace the unique role of qualified teachers and tutors. This balanced approach ensures we continue providing the highest education quality, blending human expertise with cutting-edge technology.

FY24 saw notable improvements in several key financial and operational metrics as detailed earlier.

While we have made significant progress in improving our cost structure, we remain committed to further exploring opportunities to reduce costs without compromising service quality or our ability to generate revenue.

In Q1 FY25 Cluey reported on the following financial highlights:

- Group Underlying EBITDA loss improved 74% compared to the prior corresponding period (Q1 FY24) ('PCP'), to \$0.5 million from \$2.0 million; and improved 41% compared to the prior quarter (Q4 FY24) of \$0.9 million.

- 81% improvement in cash burn compared to PCP, to \$0.6 million from \$3.3 million.
- Group Gross Profit Margin in Q1 FY25 of 57.5%, no change on PCP.

In August 2024, Cluey successfully raised \$4.5 million through an Entitlement Offer, reinforcing our shareholders' confidence in our growth strategy. These funds will primarily be allocated to working capital and accelerating growth initiatives. We extend our sincere thanks to all shareholders who participated in the Offer.

This year has been challenging. We implemented a new organisational structure to enhance efficiency and reduced our full-time equivalent (FTE) workforce by approximately 50 employees. I commend our Joint CEOs, Matteo Trinca and Trevor McDougall, CFO Greg Fordred, and the Cluey team for their unwavering dedication and tireless efforts during this transformative period.

The Board has provided invaluable guidance and support during a year of tough decisions. They have served assiduously on Board Committees. Mark Rohald, our Executive Deputy Chairman, has been a pillar of strength to our entire Executive Team and has always been available wherever required. I thank my fellow directors for their hard work and engagement in our mission to achieve sustainable profitability.

As we look ahead, we are mindful of potential headwinds, including the Federal Government's proposed cap on international student numbers in tertiary institutions and the prevailing global sentiment of the EdTech sector. However, Cluey is well-insulated, as it does not rely on international students, nor does it operate in the higher or vocational education sectors that are most affected.

Cluey is on a path to profitability, driven by a disciplined approach to cost management, innovation in its service offerings, and a renewed focus on growth. We remain cautiously optimistic, and the progress made in FY24 provides a strong foundation for future success.

I sincerely thank our employees, directors, shareholders, and partners for their support.

Robert Gavshon AM
Chairman