ASX Announcement

27 April 2022

Cluey March 2022 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 2022 ("Q3FY22").

Highlights & Key Business Activities

- Significant growth across all key Group[1] metrics
  - Revenue +120% compared to the prior corresponding period ("Q3 FY21") ('PCP')
  - Gross Profit +114% on PCP
  - Cash Receipts from Customers +105% on PCP
  - New Students +89% on PCP
  - Student Sessions +114% on PCP
  - Variable CAC per New Student -21% (improvement) on PCP
- Cluey recognised as the 5th fastest growing technology company in Australia in the Deloitte Technology Fast 50 2021 Awards

Growth and improvement in all key metrics – Q3 FY22

Cluey Group (Consolidated) – Q3 FY22

Revenue[2]	Gross Profit[2]
$8.5m **+120% on PCP**	**$4.4m** **+114% on PCP**
Cash Receipts from Customers	**New Students**
$9.3m **+105% on PCP**	**11,043** **+89% on PCP**
Student Sessions[3]	**Variable CAC[4] per New Student**
131k **+114% on PCP**	**$446** **-21% on PCP**

[1] The Group includes Cluey Learning (Australia and New Zealand) and Code Camp.
[2] Revenue and gross profit amounts disclosed are unaudited.
[3] Includes attendance days at Code Camp after-school and school holiday programs
[4] Variable CAC (customer acquisition costs) per 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. New students for Cluey Learning are those students that had a session in the period, whilst New Students for Code Camp are those students that enrolled in the period. Variable acquisition expenditure is calculated based on total marketing expenses and brand investment, plus learning advisor (sales) employment costs and commission (included in employee benefits expense).

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Cluey Learning – Q3 FY22

- Australia – continued to see significant growth and demand for its services in Q3FY22, acquiring 8,114 new students, +39% on the PCP.
- New senior secondary subjects launched in February (Biology and Physics) – positive early signs with 290 new students enrolled in these subjects in Q3FY22.
- Variable CAC per New Student – notwithstanding an 11% increase in brand spend in Q3FY22 (to $1.0 million) compared to the PCP, variable CAC decreased by 3% to $551 (Australia and NZ consolidated).
- Cluey recognised as the 5th fastest growing technology company in Australia in the 2021 Deloitte Technology Fast 50 Awards, with revenue growth of 1662% over the 3 year period to June 2021.
- New Zealand (NZ) - following a successful soft launch into NZ in Q2FY22 and Q3FY22, Cluey is ramping up investment to pursue the NZ market growth opportunity. In Q3FY22, 334 new students were acquired in NZ at a similar CAC to Australia. In Q3FY22, NZ students completed over 2,000 sessions.

Code Camp – Q3 FY22

- Following the return to schooling in Q3FY22 and the removal of most COVID related school lockdowns in February:
  - After-school programs in term 1 were delivered at 59 venues. This is expected to increase to over 90 schools in term 2 (up ~53%).
  - Summer school holiday camps in January were held at 79 venues. This compared to 27 in the spring holidays in October 2021, where camps were cancelled due to COVID related lockdowns in New South Wales and Victoria. In January, camps continued to be impacted by COVID, noting that 29% of students enrolled in school holiday camps cancelled due to COVID.
  - Following enrolment commitments in Q3FY22, autumn school holiday camps in April were held at 86 venues (an increase of 9% on the summer school holiday camp venues).
- 2,395 new students enrolled in Code Camp programs in Q3FY22 at a Variable CAC per New Student[5] of $63.
- Code Camp UK – new pilot currently underway this quarter for after-school programs to commence in Q4FY22. Positive early signs, with 30 schools signed up.

[5] New Students for Code Camp are those students that enrolled in the period.

Quarterly Cashflow Report

The Appendix 4C Quarterly Cashflow Report for Q3FY22 is attached.

Operating activities

In the quarter, Cluey continued to provide personalised online tutoring and educational support to Australian and New Zealand school students as well as co-curricula online, in-person school holiday camps and after-school programs through its Code Camp subsidiary.

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

- Cash receipts from customers of $9.3 million in the quarter, representing growth of 105% on cash receipts of $4.5 million in the PCP.
- Cash payments for advertising and marketing (including prepayments) in the quarter of $2.7 million, increased by 11% on $2.5 million in the PCP.
- Cash payments to staff and tutors disclosed in cash flow from operating activities in the quarter of $7.9 million increased by 78% on $4.4 million in the PCP.
- An additional $0.3 million of cash payments to staff involved in the further development of content and technology platform intangible assets are disclosed in cash flow from investing activities.

Total cash on hand as of 31 March 2022 was $28.7 million.

Use of funds – IPO capital raise $30m

The Company prepared the Prospectus in October 2020 in relation to the offer of 25.1 million shares at an issue price of $1.20 per share to raise $30 million.

In Section 1.8 of the Prospectus, the Company provided a statement detailing the proposed use of these funds. The table below shows the use of funds from the date of admission to the ASX.

Use of funds	Proposed per Prospectus $m	Actual expenditure 8/12/20 to 31/3/22 $m	Commentary
Sales & Marketing	10.9	10.9	In line with expectations
Product, Customer Care, Education & Technology	5.8	5.8	In line with expectations
Expenses associated with the IPO / Capital raise	3.4	3.3	In line with expectations – noting that IPO costs include those incurred prior to 8/12/20
Working Capital	9.9	5.6	In line with expectations
Total	**30.0**	**25.6**	

Payments to Directors and Related Parties

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

- $174,000 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, technology and data to deliver quality education outcomes and an enhanced experience for students. Cluey has a highly experienced management team and Board with a track record of building successful education businesses and is supported by an Independent Advisory Board comprising four eminent independent education sector thought leaders.

Cluey key facts:

- 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 through its wholly owned subsidiary, Code Camp.
- 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 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 cashflow report for entities subject to Listing Rule 4.7B

Name of entity

Cluey Ltd

ABN	Quarter ended ("current quarter")
65 644 675 909	31 March 2022

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	9,292	26,967
1.2	Payments for:	0	0
	(a) research and development	0	0
	(b) product manufacturing and operating costs	0	0
	(c) advertising and marketing	(2,730)	(8,308)
	(d) leased assets	(127)	(270)
	(e) staff costs[1]	(7,868)	(23,661)
	(f) administration and corporate costs	(2,102)	(5,733)
1.3	Dividends received	0	0
1.4	Interest received	14	56
1.5	Interest and other costs of finance paid	0	0
1.6	Income taxes paid	0	(14)
1.7	Government grants and tax incentives	0	63
1.8	Other (provide details if material) - Acquisition related costs	0	(224)
1.9	**Net cash from / (used) operating activities**	**(3,521)**	**(11,124)**

[1] *Staff costs (item 1.2(e)) include payments to employees and tutors for their service in the provision of online tutoring, and excludes staff costs capitalised and shown in investing activities cash flows*

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities - net of cash acquired	0	58
	(b) businesses	0	0
	(c) property, plant and equipment	(67)	(232)
	(d) investments	0	0
	(e) intellectual property[2]	(579)	(1,522)
	(f) other non-current assets	0	(158)
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	0	0
2.5	Other (provide details if material)	0	0
2.6	**Net cash from / (used in) investing activities**	**(646)**	**(1,854)**

[2] *Payments to acquire intellectual property (item 2.1(e)) includes staff costs capitalised as intangible assets ($331k in the quarter and $1,092k in the YTD)*

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)[3]	139	14,327
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	(641)
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**	**139**	**13,686**

[3] *Proceeds from issue of equity securities (item 3.1) $139k in the quarter relates to settlement of employee loans and release of associated Treasury shares, YTD includes $12 million placement (Sep-21), $2m Share Purchase Plan (Oct-21) and also includes $327k settlement of employee loans and release of associated Treasury shares.*

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	32,762	28,026
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,521)	(11,124)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(646)	(1,854)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	139	13,686
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	**Cash and cash equivalents at end of period**	**28,734**	**28,734**

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	28,734	32,762
5.2	Call deposits	0	0
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)**	**28,734**	**32,762**

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)	174
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0
6.3	Aggregate amount of payments to related parties and their associates included in item 3	0

7.	Financing facilities	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)	(3,521)
8.2	Cash and cash equivalents at quarter end (item 4.6)	28,734
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	28,734
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**8**

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

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: 27 April 2022

Authorised by: the Board of Cluey Ltd