



ASX Announcement

21 February 2022

Cluey continues to deliver strong growth in H1FY22

Cluey Ltd (ASX: CLU) ("Cluey" or the "Company") today announced its results for the half year ending 31 December 2021. The results of Cluey Learning (the core online learning support business) and Code Camp (the holiday camps and after-school business) are included in this report (Cluey and its subsidiaries make up the "Group").

Key highlights:

- Significant growth across all key Group metrics
 - Revenue of \$15.8 million in H1FY22, an increase of 145% on \$6.4 million compared to the prior corresponding period ("H1FY21") ("PCP")
 - Gross Profit of \$8.5 million, an increase of 150% on \$3.4 million in the PCP
 - Cash Receipts from Customers of \$17.7 million, an increase of 151% on \$7.0 million in the PCP
- Completed the acquisition of Code Camp Holdings Pty Ltd ("Code Camp") on 1 October 2021
- Expansion of Cluey Learning into New Zealand
- Completed \$12 million Share Placement (in September 2021) and \$2 million Share Purchase Plan (in October 2021)

Mark Rohald, Cluey CEO, said the Company was pleased with the growth achieved in the first half of FY22 and is well placed to deliver continued growth going forward. The commencement of the 2022 calendar year has delivered strong growth in enrolments as COVID restrictions ease.

"The Company continued to achieve growth across all key metrics, highlighting the strength of the Cluey business model. In particular, revenue growth of 145% on the prior corresponding period demonstrates ongoing and increasing demand for our learning support services. This half, the business achieved solid milestones in further accelerating our growth via Cluey's expansion into New Zealand and completing the acquisition of Code Camp."

H1FY22 Results overview

Cluey Consolidated Group – H1FY22

Revenue	Gross Profit
\$15.8m +145% on PCP	\$8.5m +150% on PCP
Cash Receipts	
\$17.7m +151% on PCP	

Cluey Learning – H1FY22

Revenue	New Students
\$15.0m +132% on PCP	11,701 +88% on PCP
Student sessions	Variable CAC per New Student
>233,000 +130% on PCP	\$491 -14% on PCP
Gross Profit	
\$8.0m +135% on PCP	

H2FY22 Outlook

- Strong start to the calendar year with record forecast new student enrolments
- During FY22, the Company will continue to expand its product and service offerings via:
 - Completing the New Zealand rollout
 - Increasing B2B and B2B2C service offerings
 - Scaling the core, including enrolling 1st cohorts into the new subjects (Physics & Biology)
 - Enhancing customer and learning experience
 - Strategic M&A

Pro forma financial information from 1 July to 31 December 2021

Profit and Loss for the half year ended 31 December 2021 vs year ended December 2020¹

Profit and loss statement	6 months to 31/12/21 ("H1FY22") \$	6 months to 31/12/20 ("H1FY21") \$
Revenue from services rendered	15,758,331	6,444,252
Cost of sales	(7,236,620)	(3,033,176)
Gross profit	8,521,711	3,411,076
<i>Gross profit margin %</i>	<i>54%</i>	<i>53%</i>
Interest income	30,988	76,750
Other income	50,943	50,000
Expenses		
Marketing expenses	(4,500,565)	(2,647,070)
Occupancy expenses	(93,623)	(67,328)
Administration expenses	(2,578,341)	(1,122,674)
Employee benefits expenses	(9,342,314)	(7,180,506)
Depreciation & amortisation	(587,667)	(60,402)
IPO costs	-	(1,185,683)
Lease finance costs	(9,050)	-
Interest expense on convertible loan notes	-	(6,027,520)
Net fair value loss on financial instruments	-	(14,325,074)
Loss before income tax expense	(8,507,918)	(29,078,431)
Income tax credit/(expense)	220,000	-
Loss after income tax for the period	(8,287,918)	(29,078,431)

¹ Pro forma comparative financial information for the six months ended 31 December 2020 are provided as if the acquisition of Quartet Education Holdings Pty Ltd and its subsidiaries had occurred on 1 July 2020. The information was previously provided in the Company's 31 December 2020 Interim Report. Code Camp historical financial information is not included in the Pro forma comparative financial information.

Revenue from services rendered

Group Revenue grew significantly to \$15.8 million in the half, an increase of 145% from \$6.4 million in the PCP. Cluey Learning's revenue increased by 132%, from \$6.4 million in H1FY21 to \$15.0 million in H1FY22. This has primarily been driven by:

- New students² in H1FY22 of 11,701 an increase of 88% on the PCP
- Student sessions in H1FY22 of over 233,000, an increase of 130% on the PCP
- Average revenue per session in H1FY22 of \$64, an increase of 1% on the PCP
- Active students³ in H1FY22 of 19,787, an increase of 92% on 10,311 in the PCP

Cost of sales

Cost of sales includes payments to Cluey Learning tutors for their services in the provision of online tutoring and to Code Camp teachers in the provision of camps and after-school programs. Tutor and teacher costs increased by 139% to \$7.2 million in H1FY22 compared to PCP, which is in line with Revenue growth of 145%.

Gross profit margin of 54% has remained consistent with the PCP gross profit margin of 53%.

Expenses

- Direct marketing expenses (including media and brand expenses) increased 70% (64% for Cluey Learning), from \$2.6 million in H1FY21 to \$4.5 million in H1FY22 (includes \$0.2 million in respect of Code Camp), noting that this included brand spend in H1FY22 of \$0.8 million compared to \$0.3 million brand spend in the PCP.
- Employee benefits expense, excluding share-based payments, increased 37% from \$6.2 million in H1FY21 to \$8.5 million in H1FY22. \$0.6 million of this increase is related to the inclusion of Code Camp from the date of acquisition. In Cluey Learning, full-time equivalent employees ("FTE") increased 15% from 93.6 in December 2020 to 107.6 in December 2021. 11.8 FTE were added to the sales team to support continued growth in demand, 2.2 FTE were added to the customer support team to manage and support the increase in forecast student enrolments and 2.5 FTE were added to product and technology roles to support and drive product development. Casual and offshore customer support costs increased by 40% from \$0.5 million in H1FY21 to \$0.7 million in H2FY22. 12.8 FTE were also added as a result of the acquisition of Code Camp.
- Administration expenses increased 130% from \$1.1 million in H1FY21 to \$2.6 million in H1FY22. This increase is primarily due to IT and licensing costs (\$0.6 million increase), Code Camp and associated integration costs (\$0.3 million), and a full six months of listing and compliance costs compared to one month of these costs in H1FY21 (\$0.3 million increase).
- Depreciation and amortisation expense has increased to \$0.6 million. Software intangibles (\$3.5 million) recognised in relation to the acquisition of Code Camp have resulted in \$0.3 million of additional amortisation expense in H1FY22 and \$0.3 million amortisation related to the amortisation of capitalised development costs from 1 January 2021.

² New students who have completed at least one session, i.e., does not include new enrolled students yet to complete their first session.

³ Active students represent the number of students who completed at least one session in the period.

Variable acquisition expenditure

- Cluey Learning:

Total variable acquisition expenditure⁴, which includes direct marketing expenses, Learning Advisor (sales) employment costs and commissions, increased by 62% from \$3.5 million in H1FY21 to \$5.7 million in H1FY22. This additional expenditure delivered an increase of 88% in new students, from 6,223 in H1FY21 to 11,701 in H1FY22.

Variable CAC per new student decreased by 14% from \$570 in H1FY21 to \$491 in H1FY22 as a result of ongoing optimisation of online and media channels, process and performance improvements in the sales team and increasing benefits associated with brand activities.

- Code Camp:

Total variable acquisition expenditure for the period since the acquisition was \$0.2 million. Variable CAC per new student acquired was \$77.

EBITDA⁵

- Underlying EBITDA is a key measurement used by the Company to assess and review business performance, and accordingly, the following table provides a reconciliation between loss before income tax and underlying EBITDA.

	6 months to 31/12/21 ("H1FY22") \$	6 months to 31/12/20 ("H1FY21") \$
Reconciliation of EBITDA to Underlying EBITDA		
Statutory loss (Dec 20: Pro forma loss) before income tax	(8,507,918)	(29,078,431)
Amortisation of acquired intangibles	291,667	0
Depreciation and amortisation - other	296,000	60,402
Net Finance costs	(21,938)	(76,750)
EBITDA	(7,942,189)	(29,094,779)
Add back:		
Other income	(50,943)	(50,000)
Acquisition costs	220,663	0
Share based payments	880,690	1,003,208
IPO costs	0	1,185,683
Interest expense on convertible loan notes	0	6,027,520
Net fair value loss on financial liabilities	0	14,325,074
Underlying EBITDA	(6,891,779)	(6,603,294)

⁴ Variable acquisition expenditure ("CAC") is calculated based on total marketing expenses, plus learning advisor (sales) employment costs and commission (included in employee benefits expense).

⁵ The Directors consider Earnings before interest, tax, depreciation, and amortisation ("EBITDA") to reflect the core earnings of the Group. EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the profit under AAS adjusted for non-cash and significant expenses. Underlying EBITDA is a key measurement used by the Company to assess and review business performance. Underlying EBITDA excludes non-cash share based payment expenses and one off costs associated with corporate transactions and government grants received.

Cluey 1HFY22 results webinar:

Cluey is pleased to announce that Mark Rohald (CEO) and Greg Fordred (CFO) will be hosting a webinar for the half year period ending 31 December 2021 at 12.00 pm (AEST) on Monday 21 February 2022.

Investors can register for the session using the following link:

https://us02web.zoom.us/webinar/register/WN_E0ilcKdwRQu0cUJ0mi6Fcq

Prior to the webinar, investors are invited to submit questions to:

melanie@nwrcommunications.com.au

ENDS

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

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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 Education 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.
- 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.