



## ASX Announcement

27 January 2023

### Cluey December 2022 Quarterly Activities Report - Clarification

Cluey Ltd (ASX: CLU) (“Cluey” or the “Company”) clarifies certain matters in relation to its Quarterly Activities Report for the quarter ending 31 December 2022 (“Q2 FY23”).

#### Cost Savings – Q2 FY23

In order to preserve cash and achieve cashflow breakeven, a range of initiatives to reduce costs are being implemented. Those that have already been implemented are expected to deliver ongoing annualised cost savings of ~\$3.3m. \$1.4m of this ~\$3.3m saving is expected to be realised in H2 FY23. Further details are outlined below:

##### Employment cost reduction:

\$1.3m ongoing annualised employment cost savings initiatives were implemented in Q2 FY23. \$0.7m of this \$1.3m saving will be realised in H2 FY23. One-off restructure costs associated with the implementation of these initiatives of \$0.4m were paid in Q2 FY23, with a further \$0.1m paid in Q3 FY23.

##### Product and Technology driven cost reduction:

~\$2m ongoing annualised customer support cost savings expected to be derived from improvements made to the Customer Hub and the rollout of the Tutor Hub. These improvements were implemented in Q2 FY23. \$0.7m of this ~\$2m saving is expected to be realised in H2 FY23.

#### Investment in Product & Technology

Going forward, Product and Technology is anticipated to continue driving improved operating leverage and increased throughput by delivering:

- Service changes and improvements focusing on optimising customer and tutor experience
- Increasing self-service configuration for customers and tutors, key to scaling growth and cost reduction
- A single view of customer across business units to optimise sales and lower CAC

The expected benefits from this investment are:

- Reduction in customer support costs (savings noted above)
- Reduction in customer acquisition costs (CAC per new student)

- Improvement to customer retention and session frequency, leading to increased revenue per student and life-time revenue

The investment in Product & Technology will be monitored and scaled back as key components of these initiatives are implemented.

### **Pathway to Profitability**

As a result of the cost savings noted above, the revised number of average monthly sessions required to achieve breakeven has decreased from ~85,000 to ~75,000. The Company reiterates its focus on identifying additional cost savings, further reducing the number of sessions to achieve breakeven. The Company confirms that there is no change to the forecast timing of achieving breakeven in Q4 FY24.

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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 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 and the United Kingdom 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 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.