

2021

Annual Report

Cluey Ltd



CLUEY
LEARNING

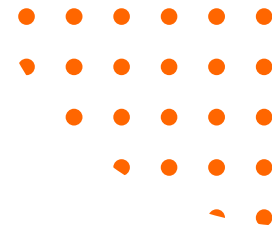


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Cluey is on a mission to transform K-12 targeted learning

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About Cluey

We are an education technology company that provides personalised online tutoring and educational support to school students in Australia.

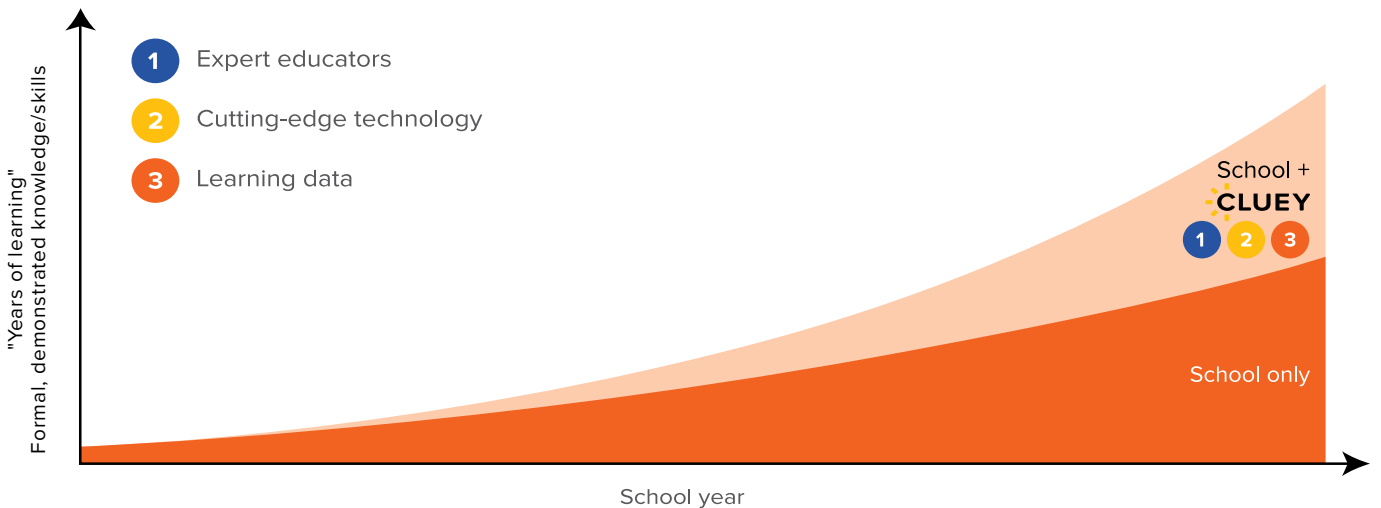
We enrol students into learning programs that align to their individual academic level, needs and school curriculum. These learning programs form the basis of ongoing engagement with our services; specifically live, fully interactive 1-to-1 or small group tutoring sessions with sequenced independent practice, which all take place in our secure, online learning environment.

Our comprehensive platforms, content and services are used by tutors to support students. We actively monitor all student learning and tuition quality, including measuring student coverage and mastery of the skills and concepts covered in their learning program. Tutors provide students and their parents with feedback after every live learning session.

Our first move offshore

We've worked really hard to optimise our existing services. After a three-year period of consistent growth in Australia, we're now ready to make our first move offshore. In FY21, we laid the foundations for expanding our services to New Zealand in FY22. This requires re-mapping of our content and developing multi-curriculum, multi-currency, international payment processing and tutor recruitment capabilities. This will stand us in good stead for further and larger international expansion down the line.

We Combine



Schools, a promising new frontier

Our core business establishes and manages relationships with families and students directly (a direct-to-consumer business model). In FY21, we extended our operations to include a division that works with schools (a business-to-business model) for the online delivery of tutoring and learning support services. Following the completion of a pilot across six public schools in Term 4 2020, we were endorsed by the NSW Department of Education as a provider under the \$337 million COVID-19 Intensive Learning Support Program.

In August 2021, we announced the acquisition of Code Camp Holdings Pty Ltd ("Code Camp"), which will complete in October 2021. Code Camp is a leading provider of K-12 coding and digital skills. Code Camp delivers its services via in-person school holiday camps, after school programs and online.

Cluey is on a mission to transform K-12 targeted learning

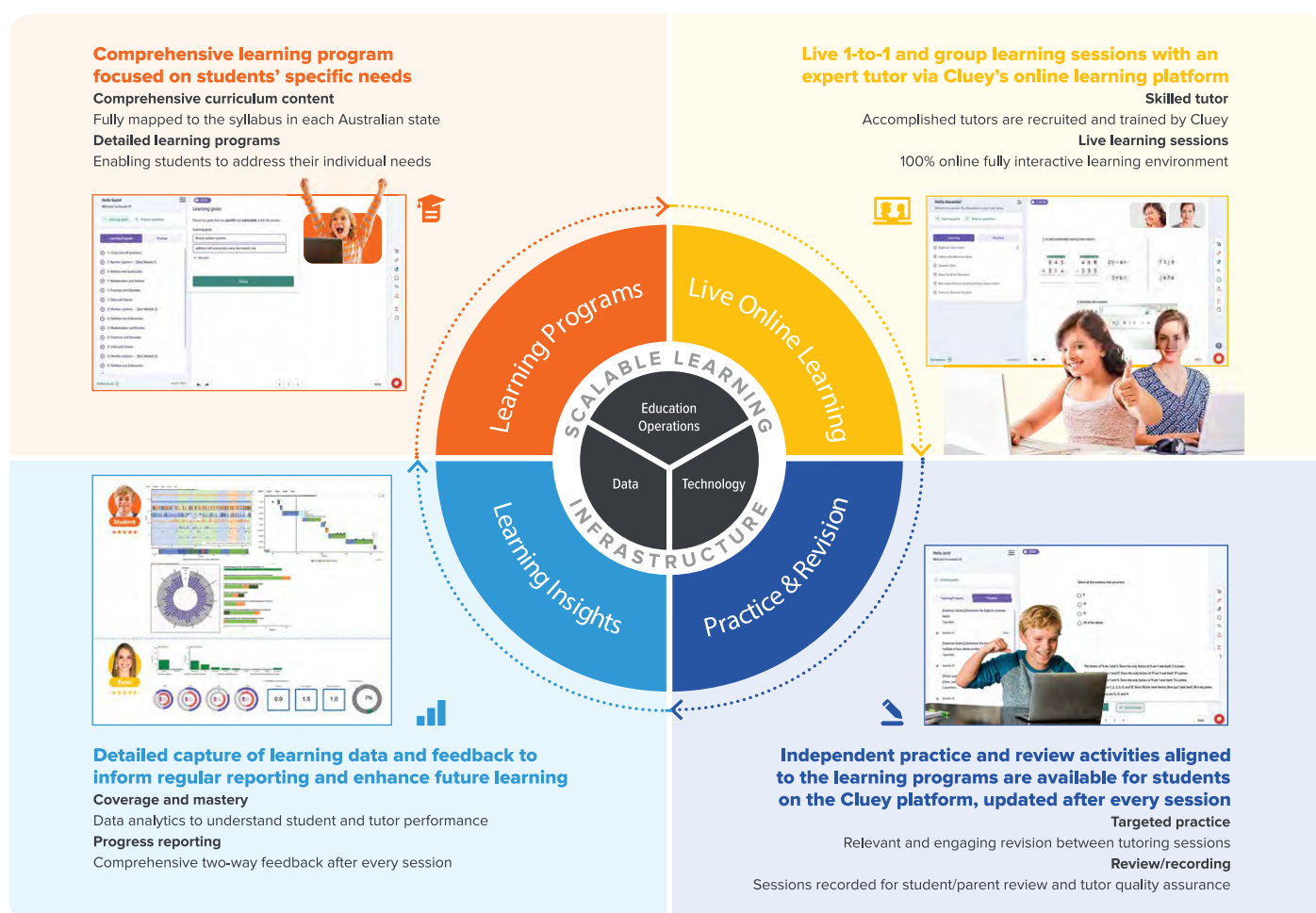
We support the learning of school-aged students, augmenting the education they receive at school.

Our goal is to support the learning growth of students by bringing together expert educators, cutting edge technology and proprietary learning data to offer students a range of targeted learning services.

Cluey has experienced a year of transformative growth

Our comprehensive integrated service

Delivering an exceptional learning experience for students at scale means that we need to be good at a lot of things all at the same time.



Our current offering includes:

- Support for students in Years 2-12 in Mathematics and English, and students in Years 11-12 in Chemistry
- Test preparation for NAPLAN and Literacy and Numeracy Test for Initial Teacher Education (LANTITE)
- Coding and digital skills programs for primary school children (via Code Camp)
- Proprietary learning programs and content that are aligned and mapped to local curricula, enabling us to support the learning needs of school students in all Australian states and territories
- Purpose-built learning platforms which support all interactions between Cluey students and tutors, and between Code Camp students and instructors

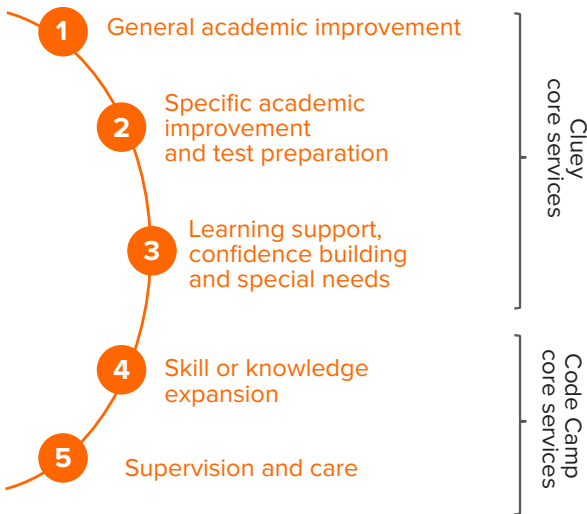
Cluey’s learning infrastructure underpins high-quality services at scale

Augmenting learning outside the classroom - the new normal

Parents are increasingly seeking more targeted and individualised support as part of their children’s education, and they often express an interest in greater transparency regarding their children’s learning progress¹.

When considering further learning support outside of school, students, parents and other stakeholders usually seek one or more of the following:

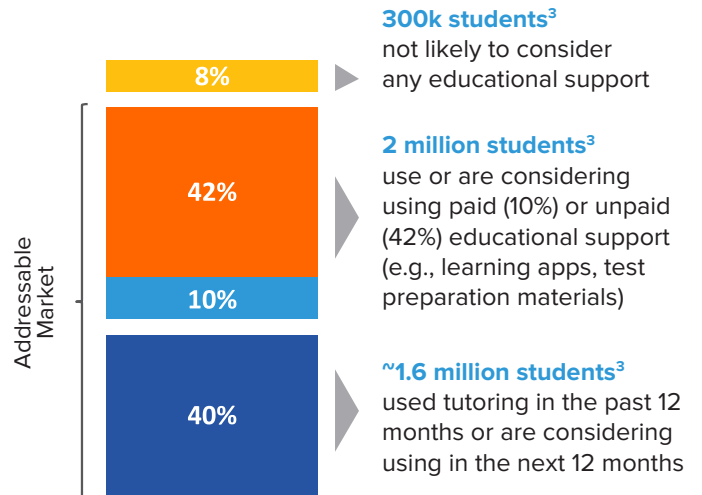
Students and parents seek one of the following:



Until now, we’ve focused on the curriculum-based learning support segment of the market. The acquisition of Code Camp marks our entry into the large co/extra-curricula segment of the market. Over time, we intend to expand our reach in both segments. The key to unlocking value for each customer is owning the common customer data layer – so we can serve the right learning support to the right learner at the right point in their learning journey.

We’re gaining market share in a large and fragmented market

School Students in Australia²



- ~4 million school students in Australia²;
- ~92% of those surveyed use or consider using online or offline academic support outside the school classroom; and
- ~50% have paid, or are considering paying, for services such as tutoring³.

The tutoring industry is highly fragmented with a small number of large franchise brands and a large number of small operations. Tutoring is largely conducted from traditional learning centres or students’ or tutors’ homes. In response to customer demand for online learning, combined with the restrictions imposed by COVID-19, tutoring services are increasingly being offered online. We are now the largest pure online K-12 provider of tutoring and test preparation services in Australia.

¹ Cluey internal customer research, Market Opportunity Phase 2, November 2018

² ACARA - <https://www.acara.edu.au/reporting/national-report-on-schooling-in-australia/national-report-on-schooling-in-australia-data-portal/student-numbers>

³ Cluey Voice of the Customer internal research, September 2019, n=1,201



Our learning analytics and AI keep getting smarter and are becoming our key differentiator

- Over 100,000 data points collected in every hour of live learning
- We've accumulated a data lake in excess of 17 billion data points
- Data is transformed into a series of insights relating to the engagement and quality of service for both students and tutors via our proprietary learning analytics capabilities
- All sessions are recorded for revision by students, analysis and quality assurance by us
- Data and AI are used to evaluate tutor performance and optimise tutor-student matching
- Detailed reporting and feedback are provided to parents and students after every session

How Cluey turns data into insights



We map all session activity data to its context, capturing over 100,000 data points per hour of learning, including video, audio, content coverage, whiteboard activity and duration. This is mapped to specific topics, concepts, and content⁴.

We summarise session quality from the tutor perspective by using a range of data points to evaluate tutor performance, guiding further development and improvements⁴.

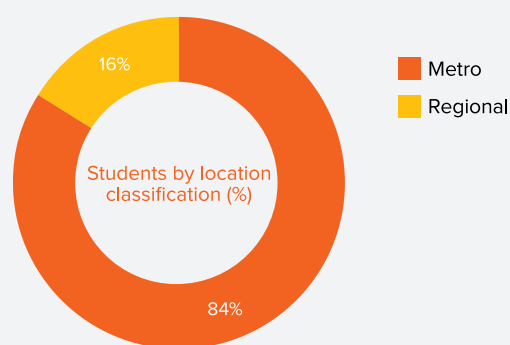
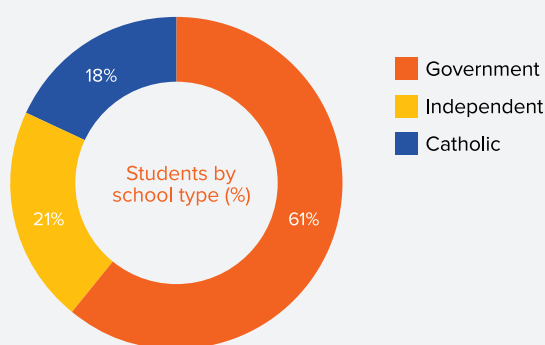
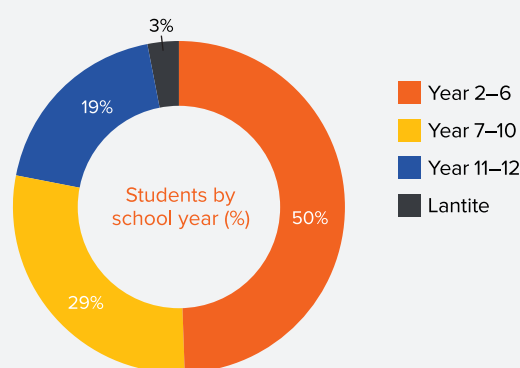
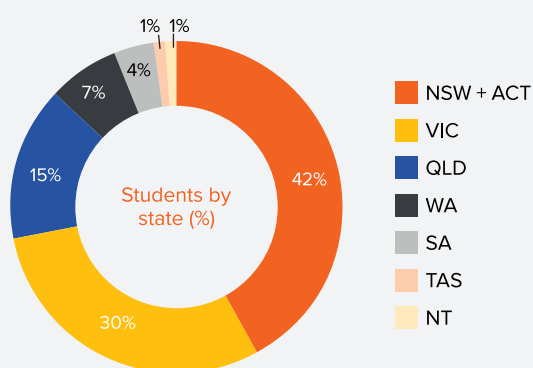


⁴ Examples of Cluey Learning Data Hub dashboards and outputs

We're growing exponentially, extending our reach across all demographics

Cluey has a diverse student base in Australia by geography, school year, school type and socio economic background⁵, demonstrating the broad appeal of our educational support services. Cluey, together with our newly acquired subsidiary, Code Camp, are also engaged with more than 200 schools across Australia in the delivery of tutoring services, coding and digital skills.

Cluey student demographics and segmentation⁵



COVID-19 – the shake-up driving take-up

COVID-19 has had a profound impact on the K-12 education landscape. In 2020, the vast majority of school-aged children were no longer attending classrooms⁶. With almost no warning, parents, teachers and children found themselves in a massive experiment – trying to discover new ways to teach and learn, and new ways of distributing responsibilities across home, school and work. More school closures in 2021 have reinforced the need to rethink how, where and when learning takes place. COVID-19 has disrupted education on a scale never seen before.

Parents are now far more involved in their children's learning. For the first time, many parents are experiencing first-hand how their children are coping, where their difficulties are, and looking for ways to support them. This is changing the relationships between students, teachers and parents. The COVID-19 crisis has forced students, parents and schools to embrace learning technology. This mass adoption of digital learning has now occurred at scale, accelerating the take-up of Cluey's comprehensive online offering, and we expect this trend to continue in the post COVID-19 environment.

⁵ Cluey student demographics and segmentation details as of August 2020

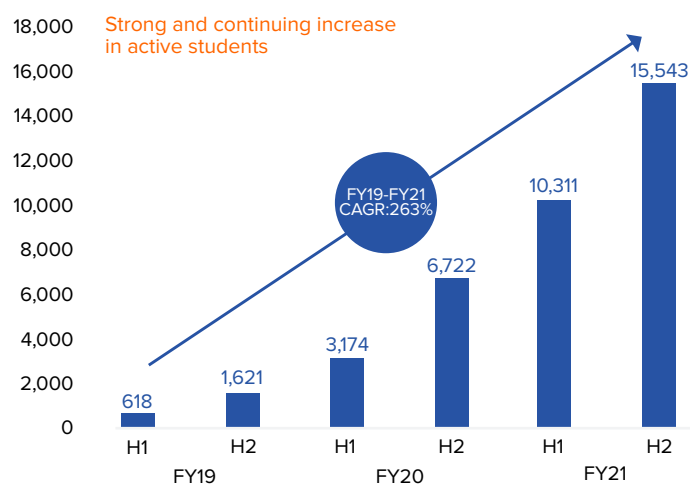
⁶ The Economist, June 26th, 2021



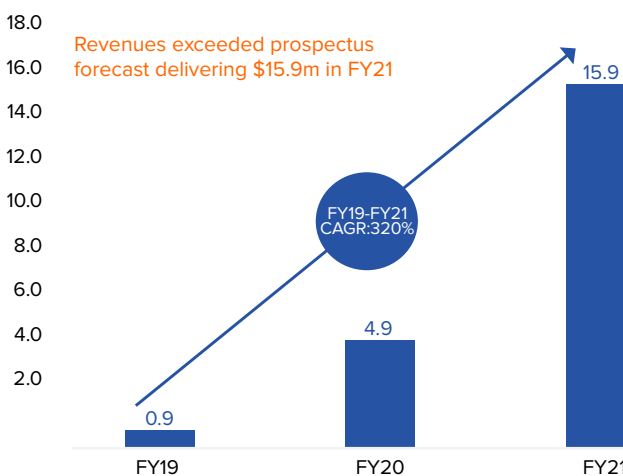
FY21 Performance Highlights

Over the course of the FY21 year, we achieved significant success in scaling our business and, at the same time, boosting our business performance metrics and unit economics.

Active Students⁷



Annual Revenues (\$'000)

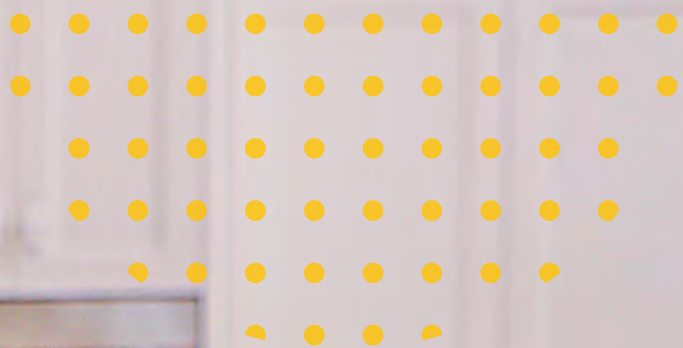
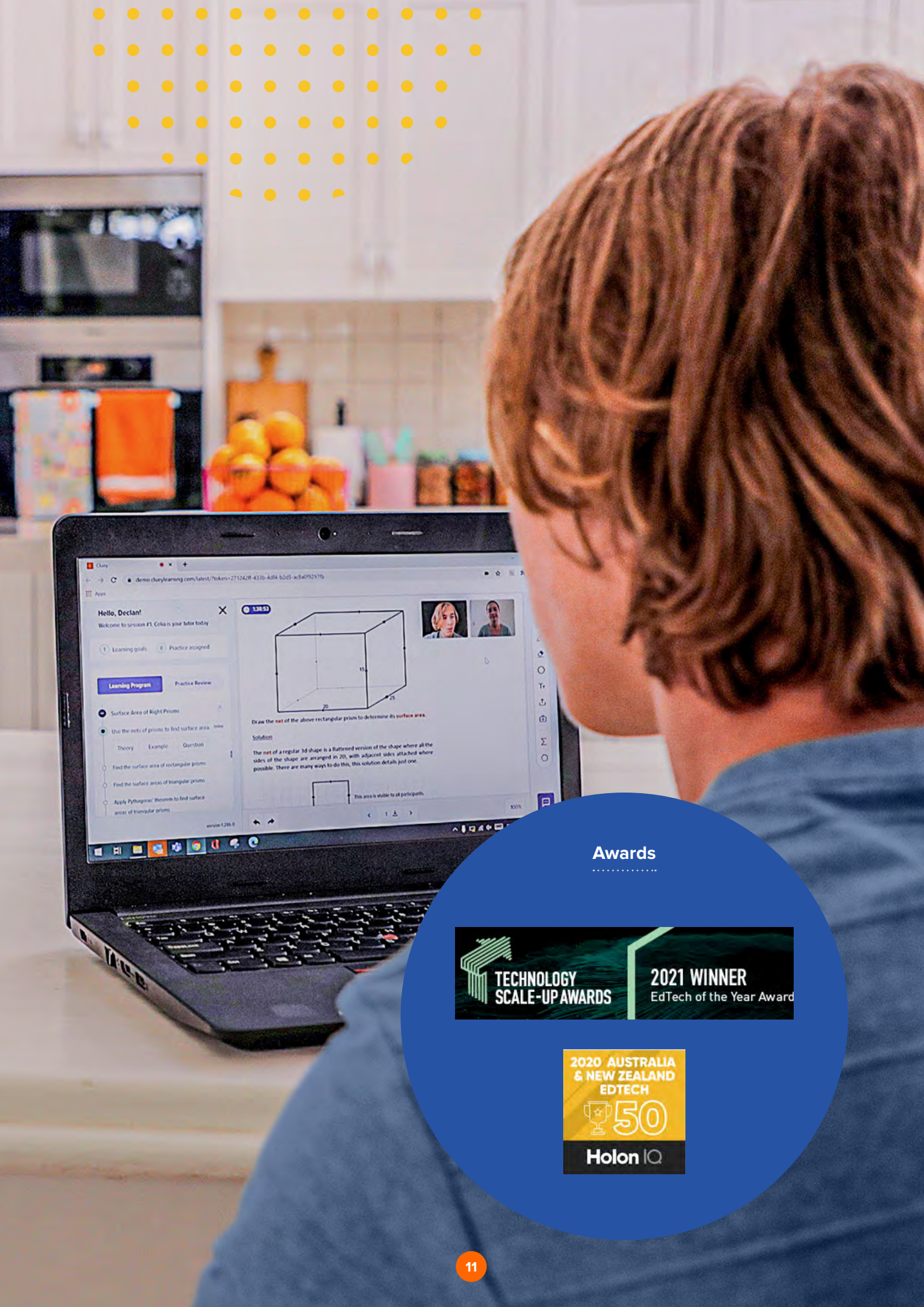


Key Highlights Of FY21

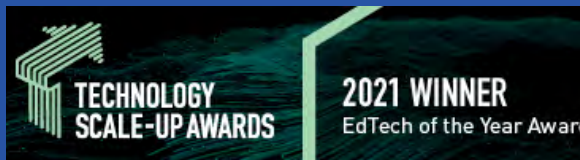
- >380,000** Student sessions⁸
- 2.3x** increase in new students in FY21 (vs FY20)
- 1,114** Active tutors in June 2021
- 3.0x** increase in number of sessions in FY21 (vs FY20)
- \$2,100/\$1,100** Life-time revenue (LTR) and life-time value (LTV) per new student consistent for last 12 months
- 3.3x** increase in revenue in FY21 (vs FY20)
- \$563** Variable CAC in FY21, down 28% from \$787 in FY20
- 3.7x** Increase in gross profit in FY21 (vs FY20)

⁷ Students that completed a paid session in the period

⁸ Cumulative Student sessions from inception to 30 June 2021



Awards



Message from the Chairman

This 2021 Annual Report for Cluey Ltd (Cluey) is our first since listing on the Australian Securities Exchange (ASX) last December. While the ongoing pandemic has overshadowed our everyday lives, Cluey has experienced outstanding growth and development.

Cluey is an innovative Australian online tutoring and learning support company that combines education, technology and data to deliver an optimal learner experience. In Australia, our goal is to help close the growing education gap by offering face-to-face online one-to-one and small group tutoring via an adaptive learning platform. We offer programs mapped to the local curriculum which support each student's needs and individual learning progression.

The outside-of-school learning support market is large and growing worldwide. In Australia's market of ~4.0 million kindergarten to Year 12 students, ~2 million students used or are considering the use of educational support and in addition, ~1.6 million students used tutoring in the last 12 months or are considering using tutoring in the next 12 months¹. Cluey's online pedagogical learning support model is well-placed to meet this growing need, as online learning is being embraced in earnest, particularly in light of COVID-19. Furthermore, the market is highly fragmented, creating organic and acquisition opportunities across technologies, products, services and distribution.

In December 2020, we completed an IPO which raised \$30 million as part of our listing on the ASX. These funds are being used to execute our core growth strategy. Our IPO received strong support from new and existing investors across the institutional and retail sectors, with applications for shares well exceeding the offer size.

Importantly, it has been inspiring to see our company continue to grow over the past 12 months, attaining key performance metrics and delivering over 250,000 student sessions – an exceptional achievement.

We reported several other significant achievements during the past 12 months. These included our selection as one of four providers for a \$337 million NSW Department of Education Intensive Learning Support Program. The program aims to support students whose education has been detrimentally impacted by ongoing disruptions due to COVID-19. The program will roll out to high priority NSW public schools commencing in the current school term.

We will be making our first step into offshore markets with an expansion into New Zealand. We expect to soft-launch services in Q2FY22 with full roll-out in Q3FY22. New Zealand represents an exciting opportunity to expand Cluey's addressable market and validate its capabilities to extend its operations across multiple geographies, time zones and currencies, and with different curricula.

We made several key appointments to our Education Advisory Board (EAB) during the year, with Professor Rosalind Dixon and Mr Andrew Pierpoint joining continuing members, Professor Chris Tisdell and new Chair Professor Garry Falloon. We are delighted to have these new members on our independent EAB to oversee our rigorous governance framework.

In addition, the EAB's inaugural Chair, Professor Ian Young AO, has transitioned to Cluey's Board of Directors and we welcome his input and insight.

As we look to the future, we see opportunities for Cluey to continue to scale through the use of data and learning analytics as key drivers of growth and optimisation of operations. The use of our data is critical for customer and learner insights and understanding the customer life cycle. We also see much potential in augmenting the core curriculum services with adjacent co/extra-curricula learning.

Our first acquisition, Code Camp, which offers coding and digital skills, broadens our product mix, smooths out the cyclicity of our core business and is an enabler for increasing active customers and lifetime value.

In August 2021, Cluey undertook a successful equity capital raising of \$12m via an Institutional Placement and followed this with a Share Purchase Plan to raise \$2m. This additional funding has strengthened our ability to pursue growth through strategic M&A activity. I welcome our new shareholders who have supported this capital raising.

In early September 2021, we were announced as the winner of the Technology Scale-up Edtech of the Year Award. It celebrates disruptive Australian technology businesses that demonstrate high rates of growth, as well as innovation, integrity, contribution to community and sustainable growth. This award is a real tribute to Cluey!

I take this opportunity to thank our management team, led by one of our founders and tireless CEO, Mark Rohald, staff and tutors, for their commitment and dedication to our business during such a busy period and under operating conditions that were at times challenging. I also thank my fellow Directors and EAB members for their support and guidance throughout FY21. Finally, I would like to express our gratitude to our loyal institutional and retail shareholders who place their trust and confidence in Cluey.

I believe the year ahead will be just as crucial in delivering our vision for long-term growth in both the core and adjacencies. FY22 has started strongly with the acquisition of Code Camp, a successful capital raise and record new students in August.

I hope you will continue to share the journey with us.



Robert Gavshon AM
Chairman

¹ Estimate based on Cluey Voice of the Customer Internal Research (2019), n=1,201



CEO's Letter

I am incredibly proud of what Cluey has achieved over the past 12 months. Our business is continuing to scale rapidly, validating our service, market-fit and business model. While Cluey was already experiencing significant growth before COVID-19, the pandemic has accelerated the global shift to online learning by school-age children. This transformation and momentum is driving unprecedented change and long term structural shifts in the traditional school-based learning model. With little warning, parents, teachers and students found themselves in a massive experiment to teach and learn effectively online at home. For Cluey, the online learning environment is not new, and we are ideally positioned to benefit from this structural shift – we have been optimising our online learning model since 2018, and have already delivered more than 380,000 online learning sessions.

Even before COVID-19, the demand for high quality learning support outside the classroom was very strong. With widespread disruptions to schooling and greater parental involvement in the day-to-day of learning, this demand is rapidly becoming the new normal.

Cluey was envisioned, designed and built to provide a fully digital learning experience - we have strong conviction in the value and use of technology to enhance the education of school-age students. For us, technology is much more than just a digital tool to connect learners and educators; we measure more than 100,000 data points in each session and analyse every learning interaction. Our data lake of more than 17 billion data points enables us to continuously optimise, improve and quality assure our service at scale. Most importantly, the use of data facilitates high quality, targeted and personalised online learning, augmenting what students are studying at school.

Having completed our IPO and ASX listing in December 2020, coupled with the significant and ongoing growth of the core business, I'm excited about pursuing opportunities to expand our products and services, including to new geographies, and scaling our business even faster.

Our results for FY21 are inspiring, as our growth and momentum place us in good stead to deliver on our medium-term goals outlined in our Prospectus. In the past 12-month period, we achieved revenue of \$15.9m, up 226% on FY20, and gross profit of \$8.6m, up 270% on FY20, both of which were ahead of our Prospectus forecast.

We had more than 15,500 active students during the second half of FY21, an increase of 131% on the same period in FY20. In FY21, we delivered more than 250,000 student sessions, an increase of 198% on FY20. Pleasingly, we are experiencing exponential scaling, with 88,000 student sessions delivered in Q4 FY21 alone, exceeding the total number of student sessions delivered in the entire previous financial year.

Notwithstanding the significant growth in revenues and sessions, we managed to reduce our variable customer acquisition costs (CAC) in FY21 to \$563 per student, down 28% from \$787 in FY20. We finished the year with a strong cash position of \$28m, providing headroom to continue to fund our investments in growing the business.

In FY22, Cluey is well placed to continue to meet the growing demand for our core online learning support services in Australia. We will also commence offshore expansion as we move into New Zealand, with a full roll-out scheduled for Q3 FY22. It is anticipated that the New Zealand market will contribute between 10-15% incremental revenue to Cluey over time. While we have already started working with some schools, once schools re-open, we should see a scaling of our services to high priority schools as part of the \$337 million New South Wales Department of Education COVID Intensive Learning Support Program. Additionally, we are excited by the opportunity to continue growing Cluey both organically and via our M&A strategy. We are delighted to announce the acquisition of well-established coding and digital skills provider, Code Camp. The acquisition of Code Camp is the first part of our broader M&A strategy, allowing us to further accelerate growth and smooth out cyclicality.

Code Camp delivers face-to-face and online school holiday camps and after-school programs. This acquisition allows us to significantly grow our customer base and share of wallet, as we interact with the same students, parents and schools. We see extensive benefits associated with an integrated approach to customer acquisition, both B2C and B2B, as well as an expanded online product offering. On a pro-forma basis, Cluey and Code Camp would have generated revenues of \$20.4 million in FY21. This excludes an additional \$2.4m in revenues which Code Camp lost due to COVID-19 disruptions.

We are confident of achieving continued growth in key metrics including revenue, gross profit, new students, active students and student sessions in FY22 and are focused on improving our unit economics and reducing variable CAC.

We will continue to focus on ensuring our platforms, organisational capabilities and quality assurance frameworks are effectively managed to sustain our current growth trajectory and, at the same time, improve student retention, operational efficiencies and automation in our operations. We expect to innovate our offering with expanded academic subjects, and we will use our rollout in New Zealand as a test case for further geographic expansion into regions with similar school curricula to Australia. We continue to consider potential acquisition opportunities which complement our existing business operations.

With such a busy and productive year behind us in FY21, I'm looking forward to what we can achieve over the next 12 months.



Mark Rohald
CEO



Director's report and Remuneration report



Director's report

30 June 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Cluey Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the period ended 30 June 2021.

The Company was incorporated on 28 September 2020 and was inactive until 3 December 2020, when it acquired Quartet Education Holdings Pty Ltd and its subsidiaries. Therefore, the Group's financial results reflect the period from 3 December 2020 to 30 June 2021. The trading results of the subsidiaries before that date are not included in the results as the acquisition of the subsidiaries was classed as a Group Reorganisation. There is no previous corresponding reporting period. Refer to 'Significant changes in the state of affairs' below for further details.

Directors

The following persons were directors of Cluey Ltd during the whole of the financial period (commencing on 28 September 2020, the date the Company was incorporated) and up to the date of this report, unless otherwise stated:

Robert Gavshon - Chairman*

Mark Rohald - Chief Executive Officer*

Professor Ian Young*

Michael Stibbard (appointed 9 December 2020)

Louise McElvogue (appointed 9 December 2020)

* Appointed at date of incorporation

Principal activities

During the financial period the principal continuing activity of the Group was educational technology providing the development of online tutoring and educational support.

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Significant changes in the state of affairs

Group reorganisation

On 3 December 2020, Cluey Ltd acquired Quartet Education Holdings Pty Ltd and its subsidiaries. The acquisition did not meet the definition of a business combination in accordance with AASB 3 'Business Combinations'.

Instead, the combination has been treated as a group reorganisation, through an accounting policy choice using the common control method, as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect their fair values, or recognise any new assets or liabilities, that would otherwise be required under AASB 3.
- No goodwill has been recognised as a result of the combination.
- A common control reserve is created for the difference between the fair value of the purchase consideration of \$110,955,249 and the carrying value of the assets and liabilities acquired.
- The statement of profit or loss and other comprehensive income reflects the results of the combined entities from 3 December 2020 to 30 June 2021.

Admission to the Australian Securities Exchange ('ASX')

The Company completed an Initial Public Offering ('IPO') and was admitted to the ASX on 9 December 2020. \$30 million was raised in December 2020 from the issue of 25.1 million new shares. The cash raised will be used to fund Cluey's growth strategy, including investment in sales and marketing, product development and operations.

Coronavirus (COVID-19)

The closure and disruption to school-based education during COVID-19 has generally resulted in an increase in demand for Cluey's online tutoring services. The Group did not claim JobKeeper subsidies from the Australian Government as the eligibility criteria were not met. Prior to the group reorganisation, Cluey Learning Pty Ltd received a total of \$100,000 cash flow boost from the Australian Tax Office.



There were no other significant changes in the state of affairs of the Group during the financial period.

Review of operations

Overview of operations

Cluey is an educational technology company, providing personalised online tutoring and educational support to school students in Australia. Cluey's integrated technology platform offers students in K-12 access to:

- 1 to 1 or small group tutoring with a skilled tutor;
- an online, live and interactive learning environment;
- professionally designed education content mapped to the Australian curriculum in each state, designed by an experienced education faculty;
- learning platform which gathers a large quantity of learning data for each student to support their learning and ensure the quality of their learning experience;
- practice and revision between tutoring sessions; and
- comprehensive feedback and reporting (including full recording of tutoring sessions).

During the period, Cluey delivered learning sessions in Mathematics, English and Chemistry.

Statutory financial results for the period from 3 December 2020 to 30 June 2021

The consolidated statement of profit or loss includes the results of the Group from the date the Company acquired the operating subsidiaries, being 3 December 2020, to 30 June 2021. During this period there has been significant growth in the Cluey business. The key financial metrics include:

- Revenue from services rendered of \$10.1 million, driven by significant growth in new students and student sessions
- Gross Profit (revenue less tutor costs) of \$5.5 million, and Gross Profit Margin of 55%
- Marketing spend of \$5.7 million including increased investment in media and brand activity to accelerate future growth
- Employee benefits expense of \$8.1 million including increased headcount to support growth
- Net loss from operating activities of \$10.6 million (excluding IPO related costs), and \$11.9 million total loss
- IPO related costs of \$1.3 million, excluding equity raise costs of \$1.9 million the latter of which are deducted from equity
- Total cash held as of 30 June 2021 of \$28.0 million

Revenue and Key Performance Indicators ('KPIs')

In the second half of the 2021 financial year ('H2FY21') revenue increased by 167% to \$9.4 million, compared to the prior corresponding period ('H2FY20') ('PCP'). The KPIs which impacted revenue were:

- 123% increase in New Students (with a session) compared to PCP, to 11,605
- 157% increase in student sessions compared to the PCP, to 149,340
- 4% increase in average revenue per session, noting that over the same period, small group student sessions, which are 38% lower priced than one-to-one sessions, increased by 352% to 18,687.

Other highlights

Cluey selected for NSW Government school tutoring program

In June 2021, the Company announced it was one of four providers chosen to deliver the New South Wales Government's COVID intensive learning support program (COVID ILSP). The four approved providers were subject to a rigorous procurement process to provide services.

Cluey's participation in the \$337 million program is expected to commence in high priority schools in 2021.

Cluey expects to deliver this program to a range of schools and has invested in school-specific customer acquisition capabilities to support this initiative. This includes the appointments of a Head of School Partnerships to focus on sales and marketing, and staff to support schools, facilitate onboarding and program management.

New Zealand launch

Since year end, the Company also announced its first launch in offshore markets, with Cluey's expansion into New Zealand. The services will soft launch in the second quarter of FY2022 ('Q2FY2022'), with a full rollout planned for Q3FY2022. New Zealand represents an opportunity to expand Cluey's addressable market and validate the Company's capabilities to extend its operations across multiple geographies, time zones and currencies, and with different curricula.

Cluey anticipates the New Zealand market could contribute between 10-15% incremental revenue to Cluey over time. Customer acquisition, activation and retention will primarily be driven via Cluey's existing sales and marketing resources, capabilities, and strategies. Cluey will augment its existing inbound Call Centre personnel with some New Zealand based operators to assist with higher volume of leads. Cluey will utilise all its existing technology and platforms to deliver the service, using localised learning programs and content aligned to the New Zealand curriculum and delivered by New Zealand tutors.

Annual financial information from 1 July 2020 to 30 June 2021 ('FY21')

The statutory Group results for the period are from 3 December 2020, being the date the Company acquired the operating subsidiaries. Annual financial results are provided and shown below as if the acquisition of Quartet Education Holdings Pty Ltd and its subsidiaries had occurred on 1 July 2020. Reference is also made to the Prospectus dated 23 October 2020 ('the Prospectus') which includes historical financial data of the operating subsidiaries, as well as forecast FY21 results for the Group from 1 July 2020 to 30 June 2021.

Pro forma financial results in the Prospectus and in this report refer to Annual and Statutory financial information which have been adjusted and normalised for costs related to the IPO and group reorganisation.

Annual and pro forma consolidated statement of profit or loss: FY21 vs FY20

KPIs for the year ended 30 June 2021⁽¹⁾ vs year ended 30 June 2020⁽²⁾

- 250,613 Student Sessions delivered in FY21 (198% increase on PCP)⁽³⁾
- \$15.9 million in Revenues achieved in FY21 (226% increase on PCP)
- 54% Gross Profit Margin achieved in FY21 (13% improvement on PCP%)
- \$563 Variable CAC⁽⁴⁾ per student achieved in FY21 (28% improvement on PCP)

Profit and Loss for the year ended 30 June 2021 vs year ended 30 June 2020⁽²⁾

<i>Statement of profit or loss</i>	<i>12 months to 30 Jun 2021 (FY21) \$</i>	<i>12 months to 30 Jun 2020 (FY20) \$</i>
Revenue from services rendered	15,869,591	4,869,426
Cost of sales	<u>(7,255,638)</u>	<u>(2,539,623)</u>
Gross Profit	8,613,953	2,329,803
<i>Gross Profit Margin %</i>	54%	48%
Operating expenses		
Marketing expenses	(8,035,647)	(4,427,428)
Occupancy expenses	(200,246)	(350,418)
Administration expenses	(3,496,670)	(2,264,800)
Employee benefits expenses	<u>(13,227,140)</u>	<u>(10,304,564)</u>
Total operating expenses	(24,959,703)	(17,347,210)
Other income	308,990	294,744
Interest revenue	146,120	160,496
Total other income	455,110	455,240
Pro forma Annual Operating loss before specific items⁽¹⁾	<u>(15,890,640)</u>	<u>(14,562,167)</u>
Specific items including IPO and related costs		
Covid-19 Cash Boost income	50,000	50,000
IPO and capital raise costs	(1,747,664)	(519,261)
Employee Gift Share Offer	(66,282)	-
Share based payment expenses	(936,926)	-
Interest expense on convertible loan notes ('CLNs')	(6,027,520)	(201,434)
Net fair value loss on financial instruments	<u>(14,325,074)</u>	<u>-</u>
Total specific items	(23,053,466)	(670,695)
Loss before income tax expense	(38,944,106)	(15,232,862)
Income tax expense	-	-
Loss after income tax for the period	<u>(38,944,106)</u>	<u>(15,232,862)</u>

Revenue from services rendered

Revenue has grown significantly by 226% from \$4.9 million in FY20 to \$15.9 million in FY21. Revenue growth has been driven by:

- New students⁽⁵⁾ in FY21 of 17,832, an increase of 134% on FY20
- Student sessions in FY21 of 250,613, an increase of 198% on FY20
- Average revenue per session in FY21 of \$63.32, an increase of 9% on FY20
- Active students⁽⁶⁾ in H2 FY21 of 15,543, an increase of 131% on 6,722 Active students in H2 FY20

Cost of sales

Cost of sales includes payments to tutors for their services in the provision of online tutoring. Tutor costs increased by 186% to \$7.3 million in FY21 compared to FY20. Revenue growth (226%) exceeded the growth in tutor costs primarily due to the increase in small group sessions. Small group sessions, launched in January 2020, including up to four students in the same session with one tutor, increased to 12% of total student sessions in the year to 30 June 2021. This contributed to an increase in Gross Profit Margin, which increased to 54% in FY21 from 48% in FY20.

Operating expenses

- Direct marketing expenses increased 81% from \$4.4 million in FY20 to \$8.0 million in FY21, of which \$0.9 million of this was invested in brand spend to develop Cluey's long-term brand equity.
- Administration expenses increased 54%, mostly due to IT costs associated with the investment in remote working capability, new product development and increased public company, audit, and compliance costs post listing.
- Employee benefits expense, excluding share-based payments issued in conjunction with the IPO, increased 28% from \$10.3 million in FY20 to \$13.2 million in FY21. Full time equivalent ('FTE') increased 21% from 97.5 in June 2020 to 118.4 in June 2021. 10.0 FTE were added to the sales team and 10.3 FTE were added to the customer support team to manage and support the increase in forecast student enrolments and student sessions. These increases were partially offset by \$0.8 million of employee benefit expenses capitalised as intangible assets (refer note 13 of the financial report for further details).

Variable acquisition expenditure⁽⁴⁾

- Total variable acquisition expenditure, which includes direct marketing expenses, Learning Advisor (sales) employment costs and commissions, increased by 67% from \$6.0 million in FY20 to \$10.0 million in FY21 delivering an increase of 134% in new students.
- Variable acquisition expenditure per new student decreased by 28% from \$787 in FY20 to \$563 for FY21 due to ongoing optimisation of online and media channels, process and performance improvements in the sales team and increasing benefits associated with brand activities.

IPO and related costs

- IPO and capital raise costs of \$1.7 million were incurred in FY21 upon listing on the ASX. \$1.3 million relate directly to the IPO. In addition to the \$1.7 million of expensed costs, the Group also capitalised equity raising costs of \$1.9 million related to the issue of 25.1 million new shares.
- Share-based payment expense of \$0.9 million relates to the issue of shares to employees prior to the Group reorganisation in anticipation of the IPO.
- Prior to the IPO, the Company, through its wholly owned subsidiary Quartet Education Holdings Pty Ltd, converted \$20.5 million of convertible loan notes ('CLNs') to equity. On conversion, interest of \$6.2 million was due and paid to CLN holders in November 2020.
- \$14.3 million of fair value loss relates to the accounting revaluation which occurred immediately prior to the conversion of CLNs on 30 November 2020. 10,751,977 CLNs issued at a price of \$1.9102, converted into 10,751,977 ordinary shares in Quartet Education Holdings Pty Ltd, prior to converting into 29,052,917 ordinary shares in Cluey Ltd following a share split of 2.7021 for each ordinary share held. At the IPO issue price of \$1.20 per share, the value of these shares was \$34.9 million. The net fair value loss was calculated as the difference between the value of these shares on IPO and the value of the underlying CLNs of \$20.5 million.

Annual and pro forma consolidated statement of profit or loss: FY21 actual vs FY21 Forecast⁽⁷⁾

KPIs for the year ended 30 June 2021 vs forecast

- 250,613 Student Sessions delivered in FY21 (4% increase on forecast of 241,348 sessions)
- \$15.9 million in revenues achieved in FY21 (3% increase on forecast of \$15.5 million revenue)
- 54% Gross Profit Margin achieved in FY21 (consistent with forecast of 54%)
- \$563 Variable CAC per student achieved in FY21 (1% improvement on forecast Variable CAC of \$571 per student)

Profit and Loss for the year ended 30 June 2021 vs forecast

<i>Statement of profit or loss</i>	<i>FY21 Actual</i> \$	<i>FY21 Forecast</i> \$
Revenue from services rendered	15,869,591	15,474,966
Cost of sales	(7,255,638)	(7,152,952)
Gross Profit	8,613,953	8,322,014
<i>Gross Profit Margin %</i>	54%	54%
Operating expenses		
Marketing expenses	(8,035,647)	(6,622,126)
Occupancy expenses	(200,246)	(336,000)
Administration expenses	(3,496,670)	(2,901,962)
Employee benefits expenses	(13,227,140)	(12,258,643)
Total operating expenses	(24,959,703)	(22,118,731)
Other income	308,990	290,000
Interest revenue	146,120	136,177
Total other income	455,110	426,177
Pro forma Annual Operating loss before specific items	(15,890,640)	(13,370,540)
Specific items including IPO and related costs		
Covid-19 Cash Boost income	50,000	50,000
IPO and capital raise costs	(1,747,664)	(1,950,856)
Employee Gift Share Offer	(66,282)	(90,217)
Share based payment expenses	(936,926)	(1,182,346)
Interest expense on convertible loan notes ('CLNs')	(6,027,520)	(6,190,801)
Net fair value loss on financial instruments	(14,325,074)	(10,201,476)
Total specific items	(23,053,466)	(19,565,696)
Loss before income tax expense	(38,944,106)	(32,936,236)
Income tax expense	-	-
Loss after income tax for the period	(38,944,106)	(32,936,236)

Revenue, Cost of Sales and Gross Profit

- FY21 actual revenue of \$15.9 million exceeded forecast by 3% (\$0.4 million) as a direct result of a 4% increase in student sessions to 250,613 compared to forecast of 241,348.
- Actual cost of sales increased in line with revenue, achieving the forecast gross margin of 54%.
- Gross Profit of \$8.6 million exceeded forecast by 4% (\$0.3 million)

Operating expenses

- Marketing expenses of \$8.0 million were \$1.4 million (21%) above forecast and represented additional investments of:
 - » \$0.9 million in Brand, the majority spent in H2FY21 to develop Cluey's long-term brand equity, and
 - » \$0.5 million in Media and direct response marketing focused on short term customer acquisition, which took advantage of additional media inventory available at or below forecast Variable CAC per new student
- Notwithstanding the increase in total marketing expenses, Variable CAC per new student of \$563 was 1% better than forecast Variable CAC per student of \$571.
- Administration expenses of \$3.5 million exceed forecast by \$0.6 million (20%) due to IT spend, including increased investment in remote working capabilities and investment in new product development and technology to roll out new services (including Schools and New Zealand).
- Employee benefits expense of \$13.2 million exceeded forecast by \$1.0 million (8%) primarily due to additional Sales and Customer Support resources in anticipation of a step-change in students and sessions in FY2022, and \$0.5 million FY21 short-term incentive bonuses and \$0.3 million of share-based payment expense, both of which were not included in the forecast as the amounts could not be accurately measured at the time of preparing the forecast. This was partially offset by \$0.8 million of employee benefit expenses capitalised as intangible assets (refer note 13 of the financial report for further details).

IPO and related costs

- IPO and capital raise costs of \$1.7 million were below forecast by \$0.2 million (10%) due to lower than forecast advisor fees (\$0.1 million) and the forecast contingency of \$0.1 million not being required.
- Share based payment expense (issued in conjunction with the IPO) and interest on CLNs were marginally below forecast due to differences between the forecast calculation and actual expense calculated.

The net fair value loss on financial instruments of \$14.3 million exceeded the forecast loss of \$10.2 million by \$4.1 million (40%) due to the final accounting valuations applied to the Cluey shares issued on conversion. The forecast assumption was based on the IPO shares being issued at the mid-point of the valuation range, whereas the final valuation was set at the top of the valuation range.

Reconciliation to Prospectus Forecast Net Profit After Tax ('NPAT') for the year ended 30 June 2021

NPAT	\$'000
Pro forma annual Operating loss before specific items - per table above	(13,371)
Incremental public company costs ⁽⁸⁾	(342)
Executive's salary reductions ⁽⁹⁾	(393)
COVID-19 salary reductions ⁽¹⁰⁾	(662)
Proforma NPAT per Prospectus	(14,768)

Balance sheet

Actual cash at 30 June 2021 was \$28.0 million, below forecast cash per the Prospectus of \$30.9 million. The difference of \$2.9 million was a result of:

- Reduction in accounts payable and accruals compared to forecast of \$0.9 million.
- \$1.4 million additional investment in media and brand (marketing) as explained above.
- \$0.6 million additional investment in technology as explained above.
- \$0.4 million additional spend on Sales and Customer Support resources in anticipation of step-change in students and sessions in FY22

These were offset by \$0.4 million increased revenue receipts compared to Prospectus forecast.

Footnotes for review of operations:

- (1) KPIs are presented for the twelve-month period as if the Company had acquired Quartet Education Holdings Pty Ltd and its operating subsidiary, Cluey Learning Pty Ltd on 1 July 2020.
- (2) As per the Quartet Education Holdings Pty Ltd 30 June 2020 Audited Annual Report
- (3) Prior corresponding period
- (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 with a session in the same period. Variable acquisition expenditure is calculated based on Media marketing expenses of \$7.7 million (including brand spend), plus learning advisor (sales) employment costs and commission of \$2.3 million (included in employee benefits expense).
- (5) New students who have completed at least one session, i.e., does not include new enrolled students yet to complete their first session.
- (6) Active students represent the number of students who completed at least one session in the period.
- (7) Being the FY21 annual forecast provided in the Prospectus
- (8) Incremental public company costs include the incremental expenditure required to be a publicly listed company including Board, listing and ASX fees. These costs are added back in the Prospectus as if the Company had been listed since July 2020.
- (9) Executives' salary reductions related to voluntary pay reductions of certain executives to preserve cash. These costs are added back in the Prospectus as if they had been paid in the periods the restrictions were made.
- (10) COVID-19 salary reductions relates to the reduced salary expense as a result of a company-wide reduction in salaries for all permanent employees earning over \$50,000, due to the uncertain impacts of COVID-19 on the Company and its ability to raise capital. Salary reductions were normalised 1 December 2020. These costs are added back in the Prospectus as if they had been paid in the periods the reductions were made.
- (11) Specific items comprise IPO and group reorganisation costs and Cash Boost income

Matters subsequent to the end of the financial period

On 30 August 2021, the Company announced that it has entered into a binding agreement to acquire 100% of the shares of Codecamp Holdings Pty Ltd ('Code Camp'), a business located in Sydney, NSW and operating throughout Australia. The acquisition is subject to customary conditions precedent including no material adverse change by the completion date and is expected to complete on 1 October 2021. Consideration for the transaction will include payment of \$1.3 million in cash, the issue of \$6.7 million in ordinary shares of the Company, due on completion.

On 30 August 2021, the Company also announced a \$12 million share placement for the issue of ordinary shares in the Company to institutional and sophisticated investors. The placement will be used to support the acquisition and growth of Code Camp and assist in funding additional growth opportunities. A further \$2 million Share Purchase Plan available to Eligible shareholders has also been announced on 30 August 2021 and is expected to be completed by early October 2021.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Business strategies and likely developments and expected results of operations

Cluey's business strategies are focused on opportunities to expand its offerings, including new subjects, a wider range of learning supports, multiple service configurations, extension into other education segments and international markets. Cluey's commitment is to make a positive difference to school children's outcomes and attitudes to learning.

During FY2022, the Company will continue to expand its product and service offerings via:

- Expansion into New Zealand as described earlier in this report under 'Review of Operations';
- Rolling out of B2B Schools initiative (NSW Department of Education program) as described earlier in this report under 'Review of Operations';
- Scaling the core, expansion into adjacent subject areas and enhanced senior secondary offering; and
- Strategic mergers and acquisitions ('M&A') activity.

Likely developments and expected results of operations

Cluey's strong growth is continuing into FY2022, with the Company achieving record new students, student sessions and revenue in July and August 2021.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Robert Gavshon, AM
Title:	Chairman and Non-Executive Director
Qualifications:	Bachelor of Commerce, Bachelor of Law
Experience and expertise:	Robert migrated to Australia from South Africa in 1978 where he was a partner in a large law firm. Shortly after arrival in Australia, he was appointed Group General Counsel and Director of Corporate Affairs with worldwide responsibility for a multinational corporation listed on the ASX. Robert later became a significant shareholder in and served as a director of public companies including Executive Deputy Chairman of Barbeques Galore Ltd, a Nasdaq listed company and Rebel Sport listed on the ASX. He has also been involved in several successful equity ventures where he took Board and advisory roles including Oporto, Hipages and The Optical Company. Robert has been engaged in the education sector for over two decades and was a shareholder in and Chairman of Think Education Group and Open Colleges until their sale. He has also occupied leading positions in the not-for-profit sector. In 2019 Robert was recognised as a Member of the Order of Australia (AM) for his services to education, business and community.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman, Member of Audit and Risk Committee and Remuneration Committee
Interests in shares:	9,453,769 fully paid ordinary shares
Interests in options:	None
Interests in rights:	None

Name:	Mark Rohald
Title:	Chief Executive Officer and Executive Director
Qualifications:	Bachelor of Commerce and Bachelor of Commerce with Honours (Economics)
Experience and expertise:	<p>Mark co-founded Cluey in 2017 and has been the CEO of Cluey since its inception. Mark has 30 years of experience in private education and training in the UK, South Africa, Canada and Australia. He has founded a number of private and publicly listed education and EdTech companies. He has served as a Board member of more than 30 education organisations across the K-12, Vocational and Higher Education segments. Previously, Mark was the co-founder and Director of Educor, one of the largest private education companies in the world, listed on the JSE and NASDAQ.</p> <p>Mark was the co-founder and Joint CEO of the Think Education Group – a significant Australian provider of campus-based vocational and higher education. In 2010, Mark co-founded the Open Colleges Group which developed into the largest private provider of online learning in Australia.</p>
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chief Executive Officer
Interests in shares:	14,613,680 fully paid ordinary shares
Interests in options:	None
Interests in rights:	None

Name:	Professor Ian Young, AO
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Engineering (Honours) in Civil Engineering, Master of Engineering Science in Coastal Engineering and PhD in Coastal Engineering Science.
Experience and expertise:	<p>Ian has over 20 years' experience in the higher education sector. He was previously the Chief Executive (Vice-Chancellor) of the Australian National University and Swinburne University of Technology and has also held several senior faculty and teaching positions across a range of tertiary institutions.</p> <p>Ian also has extensive experience with boards in the education, government and research sectors. He was previously the Chair of the Group of Eight universities, VERNet and Education Australia and has held board member positions at the Australian Research Council, IDP Education and Online Education Services.</p>
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of Remuneration Committee
Interests in shares:	None
Interests in options:	None
Interests in rights:	None

Name:	Michael Stibbard
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Commerce
Experience and expertise:	<p>Michael has over 40 years' experience in the accounting profession. He was an audit and business consulting partner with Horwath NSW Pty Limited, Chartered Accountants for 23 years and managing partner for 6 of those years. When the company merged with Deloitte in February 2007, he continued to act as an audit and business consulting partner until his retirement from the firm in September 2017.</p> <p>Since leaving Deloitte, Michael has continued to provide business advisory services.</p>
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of Audit and Risk Committee
Interests in shares:	None
Interests in options:	None
Interests in rights:	None

Name:	Louise McElvogue
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Communications, Masters Creative & Life Writing, Fellow and Graduate of the Australian Institute of Company Directors (FAICD)
Experience and expertise:	<p>Louise is an accomplished director and academic professor with experience across the healthcare, media, cybersecurity, technology, consumer, government and education industries. She has more than 25 years' experience in the media and technology sectors, and has held senior roles in digital, marketing and strategy in Europe, Australia and the USA.</p> <p>Louise is a non-executive director of Healthdirect Australia (Federal and State Governments), a member of the National Education Advisory Panel of the Australian Institute of Company Directors and a director of Halo Technologies and the Australian Physiotherapy Association. She previously served as a director of 1st Group (ASX: 1st), WhiteHawk (ASX: WHK), Sydney Living Museums (NSW Government) and on the Federal Government's Convergence Review Committee as a digital expert reviewing media and technology regulation.</p> <p>In the education sector, Louise was an Industry Professor of Marketing and Digital at UTS Business School until 2021 before moving to an Adjunct Professor role and previously served as the Chair of the UTS Faculty of Arts and Social Sciences Advisory Board.</p>
Other current directorships:	None
Former directorships (last 3 years):	1st Group (ASX: 1ST), WhiteHawk (ASX: WHK)
Special responsibilities:	Member of Audit and Risk Committee and Chair of Remuneration Committee
Interests in shares:	12,500 fully paid ordinary shares
Interests in options:	None
Interests in rights:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Interests in shares, options and rights of each Director in the share capital of the Company are as notified by the Directors to the ASX in accordance with S205G(1) of the Corporations Act 2001 at the date of this report. Relevant interests under the Corporations Act (2001) differ from the disclosure required under Australian Accounting Standards as presented in the Remuneration Report.

Company secretary

Greg Fordred

Bachelor of Business, Chartered Accountant (CAANZ), Chartered Secretary (AGIA ACG), Graduate Diploma Company Secretarial Practice (GradDipCSP), Graduate Diploma Corporate Governance ASX Listed Entities (GradDip CGALE), AAICD.

Greg Fordred is a co-founding Executive and CFO and Company Secretary of Cluey. Greg has over 21 years' experience in executive and senior finance positions with companies in the Financial Services and Education sectors. In the last 16 years, Greg held CFO and Company Secretary positions at Open Colleges, Think Education Group and Kaplan Australia.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the period ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board		Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Robert Gavshon	5	5	2	2	2	2
Mark Rohald	5	5	-	-	-	-
Professor Ian Young	5	5	2	2	-	-
Michael Stibbard	5	5	-	-	2	2
Louise McElvogue	5	5	2	2	2	2

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.



Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations. The remuneration report has been prepared for the period from when the Group was formed on 3 December 2020 to 30 June 2021.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered noting that Cluey is in the start-up phase and has a corporate objective to achieve positive operational cashflow. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

A Remuneration Committee was formed in the period and is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel whilst achieving the strategic and corporate objectives.

The Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- balancing start-up risk and the need to preserve cash
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments will be reviewed annually by the Remuneration Committee. The Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of their own remuneration. Non-executive directors do not receive share options or other incentives.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was made prior to listing and detailed in the Prospectus dated 23 October 2020. The shareholder (pre-listing) approved a maximum annual aggregate remuneration of \$500,000 for non-executive directors.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Remuneration Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

The short-term incentives ('STI') program is designed to align the targets of the business with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include growth, monetisation, engagement and business sustainability.

The long-term incentives ('LTI') include long service leave and share-based payments. Options and Performance Rights are awarded to executives as part of the Omnibus Incentive Scheme. Options granted vest over a period of three years based on service conditions. Performance rights granted vest on the achievement of long-term incentive measures. These include achieving positive operational cashflow. The Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for executives during the period ended 30 June 2021. While the Company remains in a net operating cash outflow position, the Remuneration Committee has agreed that Executive remuneration should be weighted more toward non-cash LTI.

Group performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Group through the STI program. A portion of cash bonus and incentive payments are dependent on defined revenue and gross profit measures being met. The Remuneration Committee also has the discretion to settle bonus and incentive payments through the issue of equity instruments (such as shares or options) and / or the repayment of existing loans associated with Treasury shares. Refer to the section 'Additional information' below for details of the earnings.

Use of remuneration consultants

The Group has not engaged any remuneration consultants during the period, although the Remuneration Committee purchased an independent consultants' report on Executive remuneration benchmarking as part of the remuneration review process.

Details of remuneration

The key management personnel ('KMP') of the Group consisted of the following directors of Cluey Ltd:

- Robert Gavshon - Chairman
- Mark Rohald - Chief Executive Officer
- Professor Ian Young
- Michael Stibbard (appointed 9 December 2020)
- Louise McElvogue (appointed 9 December 2020)

And the following persons:

- Greg Fordred - Company Secretary and Chief Financial Officer
- Michael Allara - Chief Product Officer
- David Jablonski - Chief Technology Officer (to 1 June 2021)
- Trevor McDougall - Chief Operating Officer
- Dr Selina Samuels - Chief Learning Officer
- Matteo Trinca - Chief Customer Officer

Amounts of remuneration

Details of the remuneration of KMP of the Group are set out in the following tables.

Period from 3 Dec 2020 to 30 Jun 2021	Short-term benefits		Non-monetary	Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus		Super-annuation	Long service leave	Equity-settled	
	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:*</i>							
Robert Gavshon	45,000	-	-	-	-	-	45,000
Professor Ian Young	30,000	-	-	-	-	-	30,000
Michael Stibbard	30,000	-	-	-	-	-	30,000
Louise McElvogue	30,000	-	-	-	-	-	30,000
<i>Executive Directors:*</i>							
Mark Rohald**	146,833	35,000	(444)	13,854	6,385	25,674	227,302
<i>Other KMP:*</i>							
Greg Fordred	142,666	50,000	5,473	13,458	6,385	23,132	241,114
Michael Allara	141,667	35,000	4,461	13,458	4,378	21,860	220,824
David Jablonski***	120,833	-	3,846	11,479	4,219	20,589	160,966
Trevor McDougall	142,666	60,000	3,994	13,458	4,378	21,860	246,356
Dr Selina Samuels	141,667	35,000	2,032	13,458	4,096	20,589	216,842
Matteo Trinca	176,000	35,000	4,260	16,625	-	24,403	256,288
	<u>1,147,332</u>	<u>250,000</u>	<u>23,622</u>	<u>95,790</u>	<u>29,841</u>	<u>158,107</u>	<u>1,704,692</u>

* Remuneration for 2021 is presented for the period 3 December 2020 to 30 June 2021 only, being the period since the Group was formed.

** Equity settled option expense relates to options and performance rights the Company intends to grant to Mark Rohald, subject to shareholder approval. The share-based payment expense has been recognised on the basis of a shared understanding that the options and performance rights will be granted.

*** Remuneration included until ceased as KMP on 1 June 2021. Subsequently ceased employment on 5 August 2021.

Cash bonuses relate to FY21 and have been accrued at 30 June 2021 and will be paid in September 2021.

Non-monetary short-term benefits relate to movement in annual leave provisions, and long service leave amounts relate to movements in long service leave provisions.

Share-based payments equity-settled relate to options and performance rights.

No comparative information is presented as the Company was incorporated on 28 September 2020 and the Group was formed on 3 December 2020, prior to listing on 9 December 2020.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration Period from 3 Dec 2020 to 30 Jun 2021	At risk - STI Period from 3 Dec 2020 to 30 Jun 2021	At risk - LTI Period from 3 Dec 2020 to 30 Jun 2021
<i>Non-Executive Directors:</i>			
Robert Gavshon	100%	-	-
Professor Ian Young	100%	-	-
Michael Stibbard	100%	-	-
Louise McElvogue	100%	-	-
<i>Executive Directors:</i>			
Mark Rohald*	74%	15%	11%
<i>Other KMP:</i>			
Greg Fordred	69%	21%	10%
Michael Allara	74%	16%	10%
David Jablonski	87%	-	13%
Trevor McDougall	67%	24%	9%
Dr Selina Samuels	75%	16%	9%
Matteo Trinca	76%	14%	10%

* Includes share-based payment expense recognised for options and rights intended to be granted subject to shareholder approval.

Cash bonuses are dependent on meeting defined performance measures. The amount of the bonus is determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Group performance and link to remuneration'. The maximum bonus values are established at the start of each financial year and amounts payable are determined by the Remuneration Committee after the audited financial results for the relevant year have been released.

Bonuses payable under the FY21 STI have been determined by the Remuneration Committee in August 2021, and are payable after the release of the FY21 audited financial results. The FY21 STI payable has been recognised in the FY21 results and included in the remuneration of the relevant KMP.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are provided below. The remuneration disclosed for each key management personnel was in place from 1 January 2021 following Cluey's listing on the ASX.

Name: Mark Rohald
Title: Executive Director and Chief Executive Officer
Agreement commenced: 1 July 2017
Details: Base salary for the period 1 December 2020 to 30 June 2021 of \$250,000 per annum plus superannuation, to be reviewed annually by the Remuneration Committee. 6-month termination notice by either party, cash bonus up to 30% as per Remuneration Committee approval and KPI achievement, non-solicitation and non- compete clauses.

Name: Greg Fordred
Title: Chief Financial Officer and Company Secretary
Agreement commenced: 1 July 2017
Details: Base salary for the period 1 January 2021 to 30 June 2021 of \$250,000 per annum plus superannuation, to be reviewed annually by the Remuneration Committee. 3-month termination notice by either party, cash bonus up to 30% as per Remuneration Committee approval and KPI achievement, non-solicitation and non-compete clauses.

Name: Michael Allara
Title: Chief Product Officer
Agreement commenced: 1 August 2017
Details: Base salary for the period 1 January 2021 to 30 June 2021 of \$250,000 per annum plus superannuation, to be reviewed annually by the Remuneration Committee. 3-month termination notice by either party, cash bonus up to 30% as per Remuneration Committee approval and KPI achievement, non-solicitation and non-compete clauses.

Name: David Jablonski
Title: Chief Technology Officer
Agreement commenced: 23 August 2017 (ceased employment 5 August 2021)
Details: Base salary for the period 1 January 2021 to 30 June 2021 of \$250,000 per annum plus superannuation, to be reviewed annually by the Remuneration Committee. 3-month termination notice by either party, cash bonus up to 30% as per Remuneration Committee approval and KPI achievement, non-solicitation and non-compete clauses.

Name:	Trevor McDougall
Title:	Chief Operating Officer
Agreement commenced:	1 August 2017
Details:	Base salary for the period 1 January 2021 to 30 June 2021 of \$250,000 per annum plus superannuation, to be reviewed annually by the Remuneration Committee. 3-month termination notice by either party, cash bonus up to 30% as per Remuneration Committee approval and KPI achievement, non-solicitation and non-compete clauses.
Name:	Dr Selina Samuels
Title:	Chief Learning Officer
Agreement commenced:	1 November 2017
Details:	Base salary for the period 1 January 2021 to 30 June 2021 of \$250,000 per annum plus superannuation, to be reviewed annually by the Remuneration Committee. 3-month termination notice by either party, cash bonus up to 30% as per Remuneration Committee approval and KPI achievement, non-solicitation and non-compete clauses.
Name:	Matteo Trinca
Title:	Chief Customer Officer
Agreement commenced:	2 July 2018
Details:	Base salary for the year ending 30 June 2021 of \$300,000 plus superannuation, to be reviewed annually by the Remuneration Committee. 3-month termination notice by either party, cash bonus up to 30% as per Remuneration Committee approval and KPI achievement, non-solicitation and non-compete clauses.

KMP have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

On 3 December 2020, Mark Rohald, Greg Fordred, David Jablonski, Trevor McDougall and Matteo Trinca each received 833 ordinary shares as part of an Employee Gift Offer. The Employee Gift Offer was available to all permanent employees of the Group on completion of the group reorganisation. All participants including the KMP noted received \$1,000 of shares for no cost. The value of these gift shares is included in the statutory remuneration of the relevant KMP. A total of 51,646 shares were issued under the Employee Gift Offer.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial period or future reporting years are as follows:

<i>Name</i>	<i>Number of options granted</i>	<i>Grant date</i>	<i>Vesting date and exercisable date</i>	<i>Expiry date</i>	<i>Exercise price</i>	<i>Fair value per option at grant date</i>
Mark Rohald*	-	-	-	-	-	-
Greg Fordred	300,000	3 May 2021	100,000: 1 July 2022 100,000: 1 July 2023 100,000: 1 July 2024	3 May 2026	\$1.1000	\$0.5951
Michael Allara	300,000	3 May 2021	100,000: 1 July 2022 100,000: 1 July 2023 100,000: 1 July 2024	3 May 2026	\$1.1000	\$0.5951
David Jablonski**	300,000	3 May 2021	100,000: 1 July 2022 100,000: 1 July 2023 100,000: 1 July 2024	3 May 2026	\$1.1000	\$0.5951
Trevor McDougall	300,000	3 May 2021	100,000: 1 July 2022 100,000: 1 July 2023 100,000: 1 July 2024	3 May 2026	\$1.1000	\$0.5951
Dr Selina Samuels	300,000	3 May 2021	100,000: 1 July 2022 100,000: 1 July 2023 100,000: 1 July 2024	3 May 2026	\$1.1000	\$0.5951
Matteo Trinca	300,000	3 May 2021	100,000: 1 July 2022 100,000: 1 July 2023 100,000: 1 July 2024	3 May 2026	\$1.1000	\$0.5951

* Options to be granted to Mark Rohald require shareholder approval, and therefore will not be granted until approval is received at the Company's next general meeting. The Company intends to seek approval for 300,000 Options to be granted to Mark Rohald on the same terms outlined above for the other key management personnel.

** David Jablonski ceased employment with Cluey on 5 August 2021 and his options and performance rights have been cancelled as of that date.

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company. The number of options granted was determined having regard to the base salary of each executive compared to comparable market rates. In order to achieve the Company's objective of preserving cash, LTIs including options and performance rights have been issued to eligible employees including all key management personnel. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the period from 3 December 2020 to 30 June 2021 are set out below:

Name	Value of options granted during the period \$	Value of options exercised during the period \$	Value of options lapsed during the period \$	Remuneration consisting of options for the period %
Mark Rohald*	178,530	-	-	7%
Greg Fordred	178,530	-	-	7%
Michael Allara	178,530	-	-	7%
David Jablonski**	178,530	-	-	10%
Trevor McDougall	178,530	-	-	6%
Dr Selina Samuels	178,530	-	-	7%
Matteo Trinca	178,530	-	-	6%

* As noted, options to be granted to Mark Rohald require shareholder approval, and therefore will not be granted until approval is received at the Company's next general meeting. The Company intends to seek approval for 300,000 Options to be granted to Mark Rohald on the same terms outlined above for the other key management personnel.

** David Jablonski ceased employment with Cluey on 5 August 2021 and his options and performance rights have been cancelled as of that date.

Performance rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial period or future reporting years are as follows:

Name	Number of rights granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per right at grant date
Mark Rohald*	-	-	-	-	-	-
Greg Fordred	150,000	3 May 2021	75,000: Achievement of KPI 1 75,000: Achievement of KPI 2	3 May 2026	\$0.0000	\$1.1500
Michael Allara	125,000	3 May 2021	62,500: Achievement of KPI 1 62,500: Achievement of KPI 2	3 May 2026	\$0.0000	\$1.1500
David Jablonski**	100,000	3 May 2021	50,000: Achievement of KPI 1 50,000: Achievement of KPI 2	3 May 2026	\$0.0000	\$1.1500
Trevor McDougall	125,000	3 May 2021	62,500: Achievement of KPI 1 62,500: Achievement of KPI 2	3 May 2026	\$0.0000	\$1.1500
Dr Selina Samuels	100,000	3 May 2021	50,000: Achievement of KPI 1 50,000: Achievement of KPI 2	3 May 2026	\$0.0000	\$1.1500
Matteo Trinca	175,000	3 May 2021	87,500: Achievement of KPI 1 87,500: Achievement of KPI 2	3 May 2026	\$0.0000	\$1.1500

* Performance rights to be granted to Mark Rohald require shareholder approval, and therefore will not be granted until approval is received at the Company's next general meeting. The Company intends to seek approval for 200,000 Performance Rights to be granted to Mark Rohald on the same terms outlined above for the other key management personnel.

** David Jablonski ceased employment with Cluey on 5 August 2021 and his options and performance rights have been cancelled as of that date.

Performance rights granted carry no dividend or voting rights.

All performance rights were granted over unissued fully paid ordinary shares in the company. The number of performance rights granted was determined having regard to the satisfaction of performance measures as described above in the section 'Group performance and link to remuneration'. Performance rights vest based on the achievement of KPIs outlined in the terms of the grant whereby the executive becomes beneficially entitled to the performance right on the date the KPI is determined to have been achieved. Performance rights are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such performance rights, and no exercise price payable on their potential exercise.

Values of performance rights over ordinary shares granted, vested and lapsed for directors and other key management personnel as part of compensation during the period ended 30 June 2021 are set out below:

Name	Value of rights granted during the period \$	Value of rights exercised during the period \$	Value of rights lapsed during the period \$	Remuneration consisting of rights for the period %
Mark Rohald*	230,000	-	-	4%
Greg Fordred	172,500	-	-	3%
Michael Allara	143,750	-	-	3%
David Jablonski**	115,000	-	-	3%
Trevor McDougall	143,750	-	-	3%
Dr Selina Samuels	115,000	-	-	2%
Matteo Trinca	201,250	-	-	4%

* As noted, performance rights to be granted to Mark Rohald require shareholder approval, and therefore will not be granted until approval is received at the Company's next general meeting. The Company intends to seek approval for 200,000 Performance Rights to be granted to Mark Rohald on the same terms outlined above for the other key management personnel.

** David Jablonski ceased employment with Cluey on 5 August 2021 and his options and performance rights have been cancelled as of that date.

Additional information

The earnings of the Group for current reporting period to 30 June 2021, and for the previous financial periods are summarised below:

	FY21* \$'000	Proforma** 2021 \$'000	Proforma** 2020 \$'000	Proforma** 2019 \$'000	Proforma** 2018 \$'000
Sales revenue	10,073	15,870	4,869	901	3
Gross profit	5,531	8,614	2,330	293	(30)
Loss after income tax	(11,908)	(38,944)	(16,075)	(11,641)	(5,987)

* From group reorganisation on 3 December 2020 to 30 June 2021

** Proforma annual financial information is presented for the consolidated Group including the trading subsidiaries for the period before the group reorganisation and listing for comparison purposes. Further detail of the pro forma financial data is provided in the Operating and Financial Review.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial period by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the period	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the period
Ordinary shares					
Robert Gavshon - Chair	9,372,269	-	81,500	-	9,453,769
Professor Ian Young	-	-	-	-	-
Michael Stibbard	-	-	-	-	-
Louise McElvogue*	-	-	12,500	-	12,500
Mark Rohald	14,635,270	-	180,493	-	14,815,763
Greg Fordred	4,436,552	-	90,000	-	4,526,552
Michael Allara	2,059,301	-	-	-	2,059,301
David Jablonski**	1,340,343	-	-	(1,340,343)	-
Trevor McDougall	2,387,925	-	60,421	-	2,448,346
Dr Selina Samuels	182,380	-	-	-	182,380
Matteo Trinca	700,529	-	-	-	700,529
	35,114,569	-	424,914	(1,340,343)	34,199,140

* Additions for Louise McElvogue represented the shares transferred in on the date Ms McElvogue became a Director

** Disposals represents 1,340,343 shares held on date Mr Jablonski ceased being key management personnel

Option holding

The number of options over ordinary shares in the Company held during the financial period by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	<i>Balance at the start of the period</i>	<i>Granted</i>	<i>Exercised</i>	<i>Expired/ forfeited/ other</i>	<i>Balance at the end of the period</i>
<i>Options over ordinary shares</i>					
Robert Gavshon - Chair	-	-	-	-	-
Professor Ian Young	-	-	-	-	-
Michael Stibbard	-	-	-	-	-
Louise McElvogue*	-	-	-	-	-
Mark Rohald*	-	-	-	-	-
Greg Fordred	-	300,000	-	-	300,000
Michael Allara	-	300,000	-	-	300,000
David Jablonski**	-	300,000	-	(300,000)	-
Trevor McDougall	-	300,000	-	-	300,000
Dr Selina Samuels	-	300,000	-	-	300,000
Matteo Trinca	-	300,000	-	-	300,000
	-	1,800,000	-	(300,000)	1,500,000

* As noted, options and performance rights to be granted to Mark Rohald require shareholder approval, and therefore will not be granted until approval is received at the Company's next general meeting. The Company intends to seek approval for 300,000 Options, and 200,000 Performance Rights to be granted to Mark Rohald on the same terms outlined above for the other key management personnel.

** Disposals represent 300,000 options held on the date Mr Jablonski ceased being key management personnel.

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial period by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	<i>Balance at the start of the period</i>	<i>Granted</i>	<i>Vested</i>	<i>Expired/ forfeited/ other</i>	<i>Balance at the end of the period</i>
<i>Performance rights over ordinary shares</i>					
Robert Gavshon - Chair	-	-	-	-	-
Professor Ian Young	-	-	-	-	-
Michael Stibbard	-	-	-	-	-
Louise McElvogue	-	-	-	-	-
Mark Rohald*	-	-	-	-	-
Greg Fordred	-	150,000	-	-	150,000
Michael Allara	-	125,000	-	-	125,000
David Jablonski**	-	100,000	-	(100,000)	-
Trevor McDougall	-	125,000	-	-	125,000
Dr Selina Samuels	-	100,000	-	-	100,000
Matteo Trinca	-	175,000	-	-	175,000
	-	775,000	-	(100,000)	675,000

* As noted, options and performance rights to be granted to Mark Rohald require shareholder approval, and therefore will not be granted until approval is received at the Company's next general meeting. The Company intends to seek approval for 300,000 Options, and 200,000 Performance Rights to be granted to Mark Rohald on the same terms outlined above for the other key management personnel.

** Disposals represent 100,000 performance rights held on the date Mr Jablonski ceased being key management personnel.

Other transactions with key management personnel and their related parties

During the financial period, there were no other transactions with key management personnel and their related parties.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Cluey Ltd under option at the date of this report are as follows:

<i>Grant date</i>	<i>Expiry date</i>	<i>Exercise price</i>	<i>Number under option</i>
3 May 2021	3 May 2026	\$1.1000	3,232,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Cluey Ltd issued on the exercise of options during the period ended 30 June 2021 and up to the date of this report.

Shares under performance rights

Unissued ordinary shares of Cluey Ltd under performance rights at the date of this report are as follows:

<i>Grant date</i>	<i>Expiry date</i>	<i>Exercise price</i>	<i>Number under option</i>
3 May 2021	3 May 2026	\$0.0000	675,000

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of performance rights

There were no ordinary shares of Cluey Ltd issued on the exercise of performance rights during the period ended 30 June 2021 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial period, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial period, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial period by the auditor are outlined in note 23 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial period, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 23 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Deloitte Touche Tohmatsu

Michael Stibbard is a former audit partner of Deloitte Touche Tohmatsu. He retired from the firm in September 2017.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Mark Rohald
Director



Robert Gavshon
Chairman

30 August 2021
Sydney

Auditor's independence declaration

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

Cluey Limited
Level 8/51 Pitt Street
Sydney NSW 2000

30th August 2021

Dear Board Members

Auditor's Independence Declaration to Cluey Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Cluey Limited.

As lead audit partner for the audit of the financial report of Cluey Limited for the period ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Alfie Nehama
Partner
Chartered Accountants

Financial Statements



Consolidated statement of profit or loss and other comprehensive income

For the period ended 30 June 2021

	Note	Group Period from 3 Dec 2020 to 30 Jun 2021 \$
Revenue		
Revenue from services rendered	5	10,072,911
Cost of sales	7	(4,541,557)
Gross profit		5,531,354
Other income	6	308,990
Interest revenue		84,949
Expenses		
Marketing		(5,678,832)
Occupancy		(155,071)
Administration		(2,573,304)
Employee benefits expense	7	(8,145,898)
Initial Public Offer costs		(1,279,799)
Loss before income tax expense		(11,907,611)
Income tax expense	8	-
Loss after income tax expense for the period attributable to the owners of Cluey Ltd		(11,907,611)
Other comprehensive loss		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation		(34)
Other comprehensive loss for the period, net of tax		(34)
Total comprehensive loss for the period attributable to the owners of Cluey Ltd		(11,907,645)
		Cents
Basic earnings/(loss) per share	30	(13.55)
Diluted earnings/(loss) per share	30	(13.55)

The Group's consolidated financial results reflect the period from 3 December 2020 to 30 June 2021. The trading results of the subsidiaries before that date are not included in the results as the acquisition of the subsidiaries was classed as a Group Reorganisation. Refer to note 2 for further details.

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated statement of financial position

As at 30 June 2021

	Note	Group 30 Jun 2021 \$
Assets		
Current assets		
Cash and cash equivalents	9	28,025,680
Trade and other receivables	10	82,553
Other assets	11	968,332
Total current assets		<u>29,076,565</u>
Non-current assets		
Property, plant and equipment	12	102,774
Intangibles	13	1,342,622
Total non-current assets		<u>1,445,396</u>
Total assets		<u>30,521,961</u>
Liabilities		
Current liabilities		
Trade and other payables	14	3,561,178
Contract liabilities	15	706,826
Employee benefits	16	607,904
Total current liabilities		<u>4,875,908</u>
Non-current liabilities		
Employee benefits	16	61,548
Total non-current liabilities		<u>61,548</u>
Total liabilities		<u>4,937,456</u>
Net assets		<u>25,584,505</u>
Equity		
Issued capital	17	139,175,296
Reserves	18	(101,683,180)
Accumulated losses		(11,907,611)
Total equity		<u>25,584,505</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated statement of changes in equity

For the period ended 30 June 2021

Group	Issued capital \$	Foreign currency translation reserve \$	Share-based payments reserve \$	Group re-organisation reserve \$	Accumulated losses \$	Total equity \$
Balance at 28 September 2020	-	-	-	-	-	-
Loss after income tax expense for the period	-	-	-	-	(11,907,611)	(11,907,611)
Other comprehensive loss for the period, net of tax	-	(34)	-	-	-	(34)
Total comprehensive loss for the period	-	(34)	-	-	(11,907,611)	(11,907,645)
Recognised through group reorganisation (note 18)	-	-	-	(101,897,419)	-	(101,897,419)
Transactions with owners in their capacity as owners:						
Share-based payments (note 31)	-	-	214,273	-	-	214,273
Contributions of equity (note 17)	141,059,814	-	-	-	-	141,059,814
Capitalised equity raise and IPO costs (note 17)	(1,884,518)	-	-	-	-	(1,884,518)
Balance at 30 June 2021	139,175,296	(34)	214,273	(101,897,419)	(11,907,611)	25,584,505

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated statement of cash flows

For the period ended 30 June 2021



	Note	Group Period from 3 Dec 2020 to 30 Jun 2021 \$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)		11,406,147
Payments to suppliers and employees (inclusive of GST)		(21,902,173)
Interest received		93,021
Research and development incentive		308,990
Net cash used in operating activities	29	<u>(10,094,015)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	12	(12,435)
Payments for intangibles	13	(820,567)
Net cash used in investing activities		<u>(833,002)</u>
Cash flows from financing activities		
Proceeds from issue of shares	17	30,061,202
Capitalised IPO costs		(1,810,149)
Net cash from financing activities		<u>28,251,053</u>
Net increase in cash and cash equivalents		17,324,036
Cash and cash equivalents at the beginning of the financial period		-
Cash balance on hand in combined group after common control transaction	18	<u>10,701,644</u>
Cash and cash equivalents at the end of the financial period	9	<u>28,025,680</u>

The Group's consolidated financial results reflect the period from 3 December 2020 to 30 June 2021. The cash flows of the subsidiaries before that date are not included in the statement of cash flows as the acquisition of the subsidiaries was classed as a Group Reorganisation. Refer to note 2 for further details.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes



Notes to the consolidated financial statements

30 June 2021

Note 1. General information

The financial statements cover Cluey Ltd as a consolidated entity consisting of Cluey Ltd ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the period (collectively referred to as the 'Group'). The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Cluey Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 8
51 Pitt Street
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

Cluey Ltd was incorporated on 28 September 2020 and acquired the operating subsidiaries (refer note 28) on 3 December 2020. Accordingly, the Group's financial results reflect the period from 3 December 2020 to 30 June 2021. The trading results of the subsidiaries before that date are not included in the results as the acquisition of the subsidiaries was classed as a Group Reorganisation. There is no previous corresponding reporting period.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 August 2021. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Notes to the consolidated financial statements

30 June 2021

Note 2. Significant accounting policies (continued)

Group reorganisation - Quartet Education Holdings Pty Ltd

When Cluey Ltd acquired Quartet Education Holdings Pty Ltd and its subsidiaries, the acquisition did not meet the definition of a business combination in accordance with AASB 3 'Business Combinations'.

Instead, the combination has been treated as a group reorganisation, through an accounting policy choice using the common control method, as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect their fair values, or recognise any new assets or liabilities, that would otherwise be required under AASB 3;
- No goodwill has been recognised as a result of the combination.
- A common control reserve is created for the difference between the fair value of the purchase consideration of \$110,955,249 and the carrying value of the assets and liabilities acquired (refer to note 18); and
- The statement of profit or loss and other comprehensive income reflects the results of the combined entities from 3 December 2020 to 30 June 2021.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 27.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2021 and the results of the Group for the period then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of common control subsidiaries is accounted for using the common control method, which are scoped out of AASB 3 'Business Combinations' and therefore a suitable accounting policy needs to be adopted in accordance with the hierarchy in AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors'. This hierarchy requires the adoption of a policy that provides users of the financial statements with relevant and reliable information about the financial position and performance of the reporting entity. The policy adopted for common control business combinations is the pooling of interest method. This method requires the combination to be recorded at carrying value at the date of acquisition, no goodwill to be recognised and the excess of the fair value of the purchase consideration over the carrying value of the assets and liabilities to be recorded as a group reorganisation reserve.

The acquisition of other subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Notes to the consolidated financial statements

30 June 2021

Note 2. Significant accounting policies (continued)

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Cluey Ltd's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Rendering of services

Revenue for tuition services is recognised at a point in time, being the date the service (i.e., the session) is provided. Payments from customers are received prior to services being delivered. Fees received in advance are recognised as contract liabilities.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.



Notes to the consolidated financial statements

30 June 2021

Note 2. Significant accounting policies (continued)

Research and development claim income

The Group has adopted the income approach to accounting for research and development tax offsets pursuant to AASB 120 'Accounting for Government Grant and Disclosure of Government Assistance' whereby the incentive is recognised in profit or loss as other income on a systematic basis over the periods in which the Group recognises the eligible expenses.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

An income tax benefit will arise for the financial year where an income tax loss is incurred and, where permitted to do so, is carried-back against a qualifying prior period's tax payable to generate a refundable tax offset.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Cluey Ltd (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.



Notes to the consolidated financial statements

30 June 2021

Note 2. Significant accounting policies (continued)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Office equipment	3 to 5 years
Computer equipment	3 to 5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Platform

Significant costs associated with the development of the platform are deferred and amortised on a straight-line basis over the period of their expected benefit, being 3 to 5 years.

Notes to the consolidated financial statements

30 June 2021

Note 2. Significant accounting policies (continued)

Content

Content costs are capitalised on worked hours in development of writing content for lessons and are amortised on a straight-line basis over the period of their expected benefit, being 5 years.

Capitalisation of Platform and Content development costs

An internally generated intangible asset arising from development of Platform and Content is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. This includes internal labour costs. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amortisation period for development costs incurred on the Group's content development is 5 years, and for the Group's platform development is 3 years.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Notes to the consolidated financial statements

30 June 2021

Note 2. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, options or performance rights over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option or performance right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option or performance right, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.



Notes to the consolidated financial statements

30 June 2021

Note 2. Significant accounting policies (continued)

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Cluey Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.



Notes to the consolidated financial statements

30 June 2021

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers and staffing. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Accounting for the internal restructure at Initial Public Offering ('IPO')

During the financial period, an internal restructure took place in preparation of the listing of the Group on the Australian Securities Exchange. This resulted in a newly incorporated company, Cluey Ltd, becoming the legal parent of the Group.

The directors elected to account for the restructure as a group reorganisation rather than a business combination. In the directors' judgement, the continuation of the existing accounting values is consistent with the accounting that would have occurred if the assets and liabilities had already been in a structure suitable to IPO and most appropriately reflects the substance of the restructure. As such, the consolidated financial statements of the new Cluey Ltd Group have been presented as a continuation of the pre-existing accounting values of assets and liabilities in Quartet Education Holdings Pty Ltd financial statements. The Group's financial results reflect the period from 3 December 2020, being the date of the Group Reorganisation, to 30 June 2021. The trading results of the subsidiaries before that date are not included in the results as the acquisition of the subsidiaries was classed as a Group Reorganisation.

In adopting this approach, the directors' note that there is an alternative view that such a restructure should be accounted for as a business combination under AASB 3 'Business Combinations'. If this view had been taken, the net assets of the Group would have been accounted for at fair value.

Note 4. Operating segments

Identification of reportable operating segments

The Group is organised into one operating segment as the Group operated in Australia and in one industry being the development of an online tutoring platform and the provision of online tutoring. This assessment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. Accordingly the information provided in this report reflects the one operating segment.

Note 5. Revenue

Disaggregation of revenue

Revenue of \$10,072,911 for the period relates to online tutoring within Australia and the services are transferred at a point in time.

Notes to the consolidated financial statements

30 June 2021

Note 6. Other income

	<i>Group Period from 3 Dec 2020 to 30 Jun 2021</i> \$
Research and development claim income	<u>308,990</u>

Note 7. Expenses

	<i>Group Period from 3 Dec 2020 to 30 Jun 2021</i> \$
Loss before income tax includes the following specific expenses:	
<i>Cost of sales</i>	
Tutoring and other costs	<u>4,541,557</u>
<i>Depreciation and amortisation (included in administration expenses)</i>	
Property, plant and equipment (note 12)	27,019
Intangible assets (note 13)	72,446
Total depreciation and amortisation	<u>99,465</u>
<i>Employee benefits expense</i>	
Wages and salaries and other employee benefits	7,208,187
Defined contribution superannuation expense	657,156
Share-based payment expense	280,555
Total employee benefits expense	<u>8,145,898</u>
<i>Leases</i>	
Short-term lease payments	<u>155,071</u>

Notes to the consolidated financial statements

30 June 2021

Note 8. Income tax

	<i>Group Period from 3 Dec 2020 to 30 Jun 2021</i>
	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>	
Loss before income tax expense	(11,907,611)
Tax at the statutory tax rate of 26%	(3,095,979)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:	
Entertainment expenses	4,735
Legal expenses	1,235
R&D incentive - non-assessable income	(80,337)
Sundry items	169,518
	(3,000,828)
Current period tax losses not recognised	3,000,828
Income tax expense	-

	<i>Group 30 Jun 2021</i>
	\$
<i>Tax losses not recognised</i>	
Unused tax losses for which no deferred tax asset has been recognised	46,182,307
Potential tax benefit @ 25%	11,545,577

The above potential tax benefit for tax losses has not been recognised in the statement of financial position as the Group does not expect to be in a position to utilise these losses in the foreseeable future.

Note 9. Cash and cash equivalents

	<i>Group 30 Jun 2021</i>
	\$
<i>Current assets</i>	
Cash on hand	48
Cash at bank	1,525,632
Cash on short-term deposit	26,500,000
	28,025,680

Notes to the consolidated financial statements

30 June 2021

Note 10. Trade and other receivables

	<i>Group</i> 30 Jun 2021 \$
<i>Current assets</i>	
Other receivables	71,200
Interest receivable	11,353
	<u>82,553</u>

Allowance for expected credit losses

The Group has recognised a loss of \$nil in profit or loss in respect of the expected credit losses for the period ended 30 June 2021. The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	<i>Group</i>	<i>Expected credit loss rate</i> 30 Jun 2021 %	<i>Carrying amount</i> 30 Jun 2021 \$	<i>Allowance for expected credit losses</i> 30 Jun 2021 \$
Not overdue		-	<u>71,200</u>	-

Note 11. Other assets

	<i>Group</i> 30 Jun 2021 \$
<i>Current assets</i>	
Prepayments	863,127
Security deposits	105,205
	<u>968,332</u>

Note 12. Property, plant and equipment

	<i>Group</i> 30 Jun 2021 \$
<i>Non-current assets</i>	
Computer equipment - at cost	115,324
Less: Accumulated depreciation	(68,306)
	<u>47,018</u>
Office equipment - at cost	106,462
Less: Accumulated depreciation	(50,706)
	<u>55,756</u>
	<u>102,774</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

<i>Group</i>	<i>Computer equipment</i> \$	<i>Office equipment</i> \$	<i>Total</i> \$
Balance at 28 September 2020	-	-	-
Additions	12,435	-	12,435
Additions through group reorganisation (refer note 2, note 18)	52,928	64,430	117,358
Depreciation expense	(18,345)	(8,674)	(27,019)
Balance at 30 June 2021	<u>47,018</u>	<u>55,756</u>	<u>102,774</u>

There is no right of use asset as the office property lease is short-term and therefore lease costs are recognised directly in profit or loss.

Notes to the consolidated financial statements

30 June 2021

Note 13. Intangibles

	<i>Group</i> 30 Jun 2021 \$
<i>Non-current assets</i>	
Platform - at cost	559,536
Less: Accumulated amortisation	(75,374)
	<u>484,162</u>
Content - at cost	1,016,014
Less: Accumulated amortisation	(157,554)
	<u>858,460</u>
	<u>1,342,622</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

<i>Group</i>	<i>Platform</i> \$	<i>Content</i> \$	<i>Total</i> \$
Balance at 28 September 2020	-	-	-
Additions	385,836	434,731	820,567
Additions through group reorganisation (refer note 2, note 18)	126,349	468,152	594,501
Amortisation expense	(28,023)	(44,423)	(72,446)
Balance at 30 June 2021	<u>484,162</u>	<u>858,460</u>	<u>1,342,622</u>

Platform and content assets include capitalised internal development costs such as labour costs, in accordance with the Group accounting policy.

Note 14. Trade and other payables

	<i>Group</i> 30 Jun 2021 \$
<i>Current liabilities</i>	
Trade payables	1,242,318
Goods and services tax payable	80,933
Accrued expenses	1,233,766
Other payables (including employment related liabilities)	1,004,161
	<u>3,561,178</u>

Refer to note 20 for further information on financial instruments.

Note 15. Contract liabilities

	<i>Group</i> 30 Jun 2021 \$
<i>Current liabilities</i>	
Contract liabilities	<u>706,826</u>
<i>Reconciliation</i>	
Reconciliation of the written down values at the beginning and end of the current financial period are set out below:	
Opening balance	-
Payments received in advance	4,139,307
Additions on group reorganisation (refer note 18)	380,019
Transfer to revenue	(3,812,500)
Closing balance	<u>706,826</u>

Notes to the consolidated financial statements

30 June 2021

Note 15. Contract liabilities (continued)

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$706,826 as at 30 June 2021 and is expected to be recognised as revenue in future periods as follows:

	Group 30 Jun 2021 \$
Within 2 months	<u>706,826</u>

Note 16. Employee benefits

	Group 30 Jun 2021 \$
<i>Current liabilities</i>	
Annual leave	<u>607,904</u>
<i>Non-current liabilities</i>	
Long service leave	<u>61,548</u>

Note 17. Issued capital

	30 Jun 2021 Shares	Group 30 Jun 2021 \$
Ordinary shares - fully paid	119,562,358	140,727,269
Treasury shares under Employee Share Option Plan (note 31)	(4,008,170)	(1,551,973)
	<u>115,554,188</u>	<u>139,175,296</u>

Movements in ordinary share capital

<i>Details</i>	<i>Date</i>	<i>Shares</i>	<i>\$</i>
Shares issued at date of incorporation	28 September 2020	-	-
Issue of shares on Initial Public Offering ('IPO')	3 December 2020	24,999,969	30,000,000
Bonus shares issued to employees and key management personnel	3 December 2020	51,646	61,975
Shares issued on acquisition of Quartet Education Holdings Pty Ltd via Put Option Deed Poll on approval of the IPO (note 18)	3 December 2020	94,510,743	112,549,812
		<u>119,562,358</u>	<u>142,611,787</u>
Less: Treasury shares under Employee Share Option Plan		(4,008,170)	(1,551,973)
		<u>115,554,188</u>	<u>141,059,814</u>
Capitalised equity raise and IPO costs		-	(1,884,518)
Balance	30 June 2021	<u>115,554,188</u>	<u>139,175,296</u>

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Notes to the consolidated financial statements

30 June 2021

Note 17. Issued capital (continued)

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

Note 18. Reserves

The Company was incorporated on 28 September 2020 and was inactive until 3 December 2020, when it acquired Quartet Education Holdings Pty Ltd and its subsidiaries (refer note 2).

	<i>Group</i> 30 Jun 2021 \$
Foreign currency translation reserve	(34)
Share-based payments reserve	214,273
Group reorganisation reserve	(101,897,419)
	<u>(101,683,180)</u>

Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Group reorganisation reserve

The reserve is used to account for historical capital reorganisations of the Group whereby the assets and liabilities of the acquired party are recorded at their previous book values and no goodwill is recognised (note 2). Any difference between the cost of the transaction, being ordinary shares issued at fair value, and the carrying amount of the assets and liabilities are recorded directly in this reserve.

Movements in reserves

Movements in the reserve during the current financial period are set out below:

<i>Group</i>	<i>Foreign currency translation</i> \$	<i>Share-based payments</i> \$	<i>Group re-organisation</i> \$	<i>Total</i> \$
Balance at 28 September 2020	-	-	-	-
Foreign currency translation	(34)	-	-	(34)
Share-based payments	-	214,273	-	214,273
Net assets acquired (refer below)	-	-	9,057,830	9,057,830
Shares issued on acquisition, net of Treasury Shares *	-	-	(110,955,249)	(110,955,249)
Balance at 30 June 2021	<u>(34)</u>	<u>214,273</u>	<u>(101,897,419)</u>	<u>(101,683,180)</u>

* Shares issued were valued with reference to the IPO share price.

Notes to the consolidated financial statements

30 June 2021

Note 18. Reserves (continued)

A summary of the net assets acquired at date of the group reorganisation transaction is as follows:

	<i>QEH Group</i> <i>3 Dec 2020</i> \$
Assets	
Cash and cash equivalents	10,701,644
Trade and other receivables	56,109
Other assets	1,452,365
Property, plant and equipment	117,358
Intangibles	594,501
	<hr/> 12,921,977
Liabilities	
Trade and other payables	(2,968,646)
Contract liabilities	(380,019)
Employee benefits	(515,482)
	<hr/> (3,864,147)
Net assets acquired	<hr/> 9,057,830

Note 19. Dividends

There were no dividends paid, recommended or declared during the current financial period.

Note 20. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks, but none are considered significant. These are described below. Any risk management required is carried out by the senior finance executives under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a regular basis.

Market risk

Interest rate risk

The Group is not exposed to any significant interest rate risk.

Credit risk

The Group invests its cash with highly reputable financial institutions and has, therefore, no significant risk in this regard. As all payments from customers are required before services are rendered, the Group has no other credit risk.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Notes to the consolidated financial statements

30 June 2021

Note 20. Financial instruments (continued)

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Group - 30 Jun 2021	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,242,318	-	-	-	1,242,318
Other payables	-	1,004,161	-	-	-	1,004,161
Total non-derivatives		2,246,479	-	-	-	2,246,479

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 21. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Note 22. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Group Period from 3 Dec 2020 to 30 Jun 2021 \$
Short-term employee benefits	1,420,954
Post-employment benefits	95,790
Long-term benefits	29,841
Share-based payments	158,107
	1,704,692

Note 23. Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Company:

	Group Period from 3 Dec 2020 to 30 Jun 2021 \$
<i>Audit services - Deloitte Touche Tohmatsu</i>	
Audit or review of the financial statements	123,000
<i>Other services - Deloitte Touche Tohmatsu</i>	
Taxation services	15,000
	138,000

Notes to the consolidated financial statements

30 June 2021

Note 24. Contingent liabilities

The Group has given a bank guarantee as at 30 June 2021 of \$99,137 to its landlord.

Note 25. Commitments

	<i>Group 30 Jun 2021 \$</i>
<i>Lease commitments</i>	
Committed at the reporting date but not recognised as liabilities, payable:	
Within one year	<u>104,276</u>

Lease commitments includes contracted amounts for offices under non-cancellable leases expiring within one year.

Note 26. Related party transactions

Parent entity

Cluey Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 28.

Key management personnel

Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the directors' report.

Transactions with related parties

There were no transactions with related parties during the financial period.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the reporting date.

Loans to/from related parties

There were no loans to or from related parties at the reporting date.

Note 27. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	<i>Parent Period from 28 Sep 2020 to 30 Jun 2021 \$</i>
Loss after income tax	<u>(1,382,140)</u>
Total comprehensive loss	<u>(1,382,140)</u>

Notes to the consolidated financial statements

30 June 2021

Note 27. Parent entity information (continued)

Statement of financial position

	<i>Parent 30 Jun 2021 \$</i>
Total current assets	28,088,415
Total assets	36,321,555
Total current liabilities	211,545
Total liabilities	211,545
Equity	
Issued capital	139,175,296
Share-based payments reserve	214,273
Group reorganisation reserve	(101,897,419)
Accumulated losses	(1,382,140)
Total equity	36,110,010

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2021.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 28. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

<i>Name</i>	<i>Principal place of business / Country of incorporation</i>	<i>Ownership interest 30 Jun 2021 %</i>
Quartet Education Holdings Pty Ltd	Australia	100.00%
Cluey Learning Pty Ltd	Australia	100.00%
Cluey Services Pty Ltd	Australia	100.00%
Quartet Education Holdings Option Share Trust	Australia	100.00%
Cluey Learning (NZ) Pty Limited	New Zealand	100.00%

Notes to the consolidated financial statements

30 June 2021

Note 29. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	<i>Group Period from 3 Dec 2020 to 30 Jun 2021</i>
	\$
Loss after income tax expense for the period	(11,907,611)
Adjustments for:	
Depreciation and amortisation	99,465
Share-based payments	280,555
Change in operating assets and liabilities:	
Increase in trade and other receivables	(26,444)
Decrease in prepayments	484,033
Increase in trade and other payables	495,210
Increase in contract liabilities	326,807
Increase in employee benefits	153,970
Net cash used in operating activities	<u>(10,094,015)</u>

Note 30. Earnings/(loss) per share

	<i>Group Period from 3 Dec 2020 to 30 Jun 2021</i>
	\$
Loss after income tax attributable to the owners of Cluey Ltd	(11,907,611)
	<i>Number</i>
Weighted average number of ordinary shares used in calculating basic earnings per share (net of Treasury shares)	87,853,891
Weighted average number of ordinary shares used in calculating diluted earnings per share (net of Treasury shares)	87,853,891
	<i>Cents</i>
Basic earnings/(loss) per share	(13.55)
Diluted earnings/(loss) per share	(13.55)

The impact of the options and the performance rights have been excluded from the calculation of the weighted average number of shares in the calculation of the loss per shares as they are anti-dilutive.

Notes to the consolidated financial statements

30 June 2021

Note 31. Share-based payments

Employee Incentive Plan

The Company has approved an Employee Incentive Plan which will enable the Board, from time to time and in its absolute discretion, to make an offer to any employee, contractor or director (including any prospective employee, contractor or director) ('Eligible Employee') to participate.

The Employee Incentive Plan is an omnibus plan which allows the Board complete discretion in determining the most appropriate incentive to be offered upon the terms set out in the Employee Incentive Plan and upon such additional terms and conditions as the Board determines. In particular, the Board may determine at any time up until the exercise of an Award under the Employee Incentive Plan that a restriction period may apply to some or all of the Awards issued to Eligible Employees.

The Employee Incentive Plan provides for the issue to a Participant of:

- Options, which may be subject to vesting conditions as determined by the Board, including Good Leaver and Bad Leaver conditions;
- Shares, either at a discount to market value or at market value with an ability for a loan to be provided by the Company to the employee, repayable from dividends and/or the sale of shares once vesting conditions have been lifted;
- Shares, in lieu of any wages, salary, director's fees or other remuneration, or by the Company in its discretion, in addition to their wages, salary and remuneration, or in lieu of any discretionary cash bonus or other incentive payment;
- Performance Rights which will be issued for nil consideration and subject to vesting conditions as determined by the Board; and
- Free or discounted shares to employees being subject to the concessional tax treatment in Division 83A of the Income Tax Assessment Act 1997, as determined by the Board from time to time.

The Company must have reasonable grounds to believe, when making an offer under the Employee Incentive Plan, that the number of Shares to be received on exercise of Awards offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

The directors are entitled to participate in the Employee Incentive Plan, subject to Shareholder approval.

Set out below are details of options granted under the plan:

Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted	Exercised	Expired/forfeited/other	Balance at the end of the period
03/05/2021	03/05/2026	\$1.1000	-	3,567,000	-	-	3,567,000
			-	3,567,000	-	-	3,567,000
Weighted average exercise price			\$0.0000	\$1.1000	\$0.0000	\$0.0000	\$1.1000

There were no options exercisable at the end of the financial period.

The weighted average share price during the financial period was \$1.10.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 4.84 years.

Set out below are details of performance rights granted under the plan:

Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted	Exercised	Expired/forfeited/other	Balance at the end of the period
03/05/2021	03/05/2026	\$0.0000	-	775,000	-	-	775,000
			-	775,000	-	-	775,000

Notes to the consolidated financial statements

30 June 2021

Note 31. Share-based payments (continued)

There were no performance rights exercisable at the end of the financial period.

The weighted average remaining contractual life of performance rights outstanding at the end of the financial period was 4.84 years.

For the options granted during the current financial year, the Black-Scholes valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
03/05/2021	03/05/2026	\$1.1500	\$1.1000	60.00%	-	0.69%	\$0.5950
03/05/2021	03/05/2026	\$1.1500	\$1.1000	60.00%	-	0.69%	\$0.4840
03/05/2021	03/05/2026	\$1.1500	\$1.1000	60.00%	-	0.69%	\$0.5170
03/05/2021	03/05/2026	\$1.1500	\$1.1000	60.00%	-	0.69%	\$0.5470

For the performance rights granted during the current financial period, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
03/05/2021	03/05/2026	\$1.1500	\$0.0000	60.00%	-	0.69%	\$1.1500

Employee Share Option Plan - historic

Prior to the Group reorganisation on 3 December 2020, an Employee Share Option Plan ('ESOP') had been established by Quartet Education Holdings Pty Ltd ('QEH Group'), whereby the QEH Group may, at the discretion of the Board, grant options to acquire ordinary shares in the Quartet Education Holdings Pty Ltd to certain key personnel of the QEH Group. The options were issued for nil consideration and granted in accordance with performance guidelines established by the Board.

Participation in the ESOP was by invitation by the Board. Options have a 10 year expiry from date of grant and are issued with an exercise price of the most recent capital raise. Vesting of options is 25% per annum over the initial 4 year period after grant date.

At 30 June 2020, a total of 1,495,797 options were outstanding under this plan. Immediately prior to the Group reorganisation, a total of 1,516,003 options were outstanding. As part of the Group reorganisation, and prior to the IPO, the options were converted to Cluey Ltd shares with a share split of 2.7021, resulting in 4,096,411 Cluey Ltd shares being issued. These shares are included in the issued capital of Cluey Ltd, however are held by an Employee Share Trust and subject to vesting conditions as outlined above being achieved. Quartet Education Holdings provided loans to option holders equal to the option exercise (strike) price applicable for each grant. Once vesting conditions are met, employees are required to repay all loan balances before share ownership is transferred. As the shares are held in Trust, in the Group accounts they are treated as Treasury Shares and reduce the number of shares on issue for disclosure purposes. The value of loans receivable by the Group is also deducted from equity and not recognised as an asset.

The total shares classified as Treasury Shares at 30 June 2021 under this ESOP is 4,008,170, and the loan amount associated with these shares is \$1,551,973. During the period from 3 December 2020 to 30 June 2021, 88,241 vested shares were released from the Trust and \$34,355 of loans were repaid to the Group.

Note 32. Events after the reporting period

On 30 August 2021, the Company announced that it has entered into a binding agreement to acquire 100% of the shares of Codecamp Holdings Pty Ltd ('Code Camp'), a business located in Sydney, NSW and operating throughout Australia. The acquisition is subject to customary conditions precedent including no material adverse change by the completion date and is expected to complete on 1 October 2021. Consideration for the transaction will include payment of \$1.3 million in cash, the issue of \$6.7 million in ordinary shares of the Company, due on completion.

On 30 August 2021, the Company also announced a \$12 million share placement for the issue of ordinary shares in the Company to institutional and sophisticated investors. The placement will be used to support the acquisition and growth of Code Camp and assist in funding additional growth opportunities. A further \$2 million Share Purchase Plan available to Eligible shareholders has also been announced on 30 August 2021 and is expected to be completed by early October 2021.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors Declaration

30 June 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mark Rohald
Director



Robert Gavshon
Chairman

30 August 2021
Sydney



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Independent Auditor's Report to the directors of Cluey Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cluey Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report to the members of Cluey Ltd



Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p>Valuation of unearned revenue (revenue cut-off)</p> <p>As at 30 June 2021, the Group recognised unearned revenue of \$706,826 classified as contract liabilities in the consolidated statement of financial position as disclosed in Note 2.</p> <p>The Group's calculation of unearned revenue in respect of tuition sessions purchased but not yet delivered requires the analysis and matching of volumes of data to assess whether a tuition session (which must be paid for in advance) has been delivered.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none">• Assessing the accounting policies adopted by the Group in relation to revenue recognition;• Obtaining a detailed understanding of the terms and conditions of the customer contracts;• Assessing the design and implementation of controls over the process for calculating and recognising unearned revenue.• Testing the calculation of unearned revenue, which is based on undelivered pre-paid tuition sessions, by assessing whether a sample of pre-paid tuition sessions have been recorded (recognition criteria met) as delivered or as not delivered appropriately. <p>We have also assessed the appropriateness of the disclosures in the notes to the financial statements.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report to the members of Cluey Ltd

Deloitte.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent auditor's report to the members of Cluey Ltd

Deloitte.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 31 of the Directors' Report for the year ended 30 June 2021.


In our opinion, the Remuneration Report of Cluey Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



DELOITTE TOUCHE TOHMATSU



Alfie Nehama
Partner
Chartered Accountants

Sydney, 30 August 2021



Corporate Governance Statement

Corporate Governance Statement

This corporate governance statement sets out the current compliance by Cluey Limited (Company) with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Fourth Edition) (ASX Principles and Recommendations). The ASX Principles and Recommendations are not mandatory. However, this corporate governance statement discloses the extent to which the Company has followed the ASX Principles and Recommendations. This corporate governance statement is current as 27 September 2021 and has been approved by the board of the Company (Board).

ASX PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
1. Lay solid foundations for management and oversight		
1.1. A listed entity should have and disclose a board charter setting out:		The Company has adopted a Board Charter which is available on the Company's website. (https://clueylearning.com.au/en/investor/corporate-governance.php)
(a) the respective roles and responsibilities of the Board and Management; and	Yes	
(b) those matters expressly reserved to the Board and those delegated to Management.	Yes	The Board Charter sets out, among other things, the composition, role and process of the Board, the roles and responsibilities of the Chair and management, the relationship and interaction between the Board and management and the authority delegated by the Board to Board committees and management.
1.2. A listed entity should:		
(a) undertake appropriate checks before appointing a Director or senior executive or putting forward someone forward for election as a Director; and	Yes	The Board ensures that appropriate checks are undertaken before the appointment of Directors or putting forward someone for election as a director.
(b) provide security holders with all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a Director.	Yes	The Company will ensure that all material information in its possession relevant to a Shareholder's decision whether to elect or re-elect a Director, including the information referred to in Recommendation 1.2, is provided to shareholders in any Notice of Annual or Extraordinary General Meeting.
1.3. A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	Yes	Each Director and senior executive of the Company has an agreement in writing with the Company which sets out the key terms and conditions of their appointment including their duties, rights and responsibilities and (to the extent applicable) the matters referred to in the commentary to Recommendation 1.3.
1.4. The company secretary of a listed entity should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.	Yes	As stated in the Board Charter, the Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

ASX PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION								
<p>1.5. A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its Board or a committee of the Board set measurable objectives for achieving gender diversity in the composition of its Board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either : (i) the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes) or, (ii) if the Company is a relevant employer" under the Workplace Gender Equality Act 2012 (Cth), the Company's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>Yes</p> <p>No</p> <p>N/A</p> <p>N/A</p> <p>Yes</p>	<p>The Company has a diversity policy which is available on the Company's website. (https://clueylearning.com.au/en/investor/corporate-governance.php)</p> <p>The Board may set measurable objectives for achieving the overarching objective of the diversity policy, including gender diversity, and if objectives are set, the Company must annually review and report on progress against those objectives.</p> <p>The Board has not as yet set measurable objectives but will in the future review the appropriateness of setting objectives as the Company develops in size and complexity.</p> <p>The Company's gender diversity as at 30 June 2021 is detailed below:</p> <table border="1" data-bbox="820 757 1366 943"> <thead> <tr> <th>Level</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Women on the Board</td> <td>20%</td> </tr> <tr> <td>Women in senior executive positions</td> <td>20%</td> </tr> <tr> <td>Women employees across the workforce (excluding senior management roles)</td> <td>45%</td> </tr> </tbody> </table> <p>Senior executive positions include Key Management Personnel and exclude the CEO and Executive Director Mark Rohald who is included in the Board figures.</p>	Level	2021	Women on the Board	20%	Women in senior executive positions	20%	Women employees across the workforce (excluding senior management roles)	45%
Level	2021									
Women on the Board	20%									
Women in senior executive positions	20%									
Women employees across the workforce (excluding senior management roles)	45%									
<p>1.6. A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.</p>	<p>Yes</p> <p>Yes</p>	<p>The Company has adopted a policy in relation to Performance Evaluations, which is available on the Company's website. (https://clueylearning.com.au/en/investor/corporate-governance.php).</p> <p>Since listing on 9 December 2020, the Company has not undertaken an evaluation of the performance of the Board, Individual Directors or the Committees of the Board.</p>								

ASX PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p>1.7. A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.</p>	<p>Yes</p> <p>Yes</p>	<p>The Company's Performance Evaluation Policy sets out the process adopted for evaluation the performance of the Company's Senior Staff. A copy of the Performance Evaluation Policy can be found of the Company's website at:</p> <p>https://clueylearning.com.au/en/investor/corporate-governance.php.</p> <p>The Company's Remuneration Committee is responsible for overseeing the performance evaluation of the executive team and reporting this to the Board, as set out in Performance Evaluation Policy. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel. In addition, the Remuneration Committee receives specific feedback and recommendations from the Chief Executive Officer,</p> <p>Performance and remuneration reviews of the Chief Executive Officer, Chief Financial Officer, Chief Customer Officer, Chief Technology Officer, Chief Product Officer and Chief Learning Officer were conducted in were conducted during FY21.</p>
<p>2. Structure the Board to be effective and add value</p>		
<p>2.1. The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent Directors; and</p> <p>(2) is chaired by an independent Director;</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>No</p> <p>Yes</p>	<p>Under the Board Charter, the Board is required to establish a Nomination Committee once the Board is of a sufficient size and structure, and the Company's duties are of a sufficient magnitude to justify the establishment of such a committee. Currently, the full Board undertakes the role of the Nomination committee and considers all the matters as set out in the Company's Nomination Committee Charter.</p> <p>The Nomination Committee Charter is available on the Company's website:</p> <p>https://clueylearning.com.au/en/investor/corporate-governance.php.</p>



ASX PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
2.2. A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	Yes	<p>The Company has assembled an experienced Board with relevant industry and listed company experience as well as a diverse skill set and proven track record of building businesses and a desire to promote strong corporate governance. The Board regularly evaluates the mix of skills, experience and diversity at Board level.</p> <p>The Board believes that a highly credentialed Board, with a diversity of background, skills and perspectives, will be effective in supporting and enabling delivery of good governance for the Company and value for the Company's shareholders.</p> <p>The Board has developed a Board skills matrix, to simplify the process for identifying any 'gaps' in the Board's skills, expertise and experience. The Board achieved its assessed skills rating for all criteria, being for skills in Financial/Audit, Legal/Governance, Investor Relations, Risk Management and Compliance, IT/Technology, Strategic Planning, Executive Management, Education, Listed Company Director Experience, Finance Arrangement (Corporate Structure) Experience, Investment/M&A/Business Disposal/Capital Raising Experience and People Management.</p> <p>Details of the Directors' skills, experience and expertise are set out on the Company's Annual Report and on its website.</p>
2.3. A listed entity should disclose: <ul style="list-style-type: none"> (a) the names of the Directors considered by the Board to be independent Directors; (b) if a Director has an interest, position or relationship that might cause doubts about the independence of a Director but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and (c) the length of service of each Director. 	<ul style="list-style-type: none"> Yes N/A Yes 	<p>The Company considers the following directors to be independent:</p> <ul style="list-style-type: none"> • Ian Young appointed 28 September 2020 (Independent Non-Executive Director) • Michael Stibbard appointed 9 December 2020 (Independent Non-Executive Director) • Louise McElvogue appointed 9 December 2020 (Independent Non-Executive Director) <p>The Board notes the following directors are deemed not to be independent for the purposes of the Guidelines:</p> <ul style="list-style-type: none"> • Robert Gavshon appointed 28 September 2020 (Chairman and Non-Executive Director); and • Mark Rohald appointed 28 September 2020 (Executive Director).
2.4. The majority of the Board should be independent Directors.	Yes	<p>As disclosed under Recommendation 2.3, the majority of the Company's board consists of independent directors.</p> <p>As the business develops, changes to and/ or further appointments to the Board may be warranted and the Board will consider the need to appoint additional independent Directors.</p>



ASX PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
2.5. The chair of the Board should be an independent Director and, in particular, should not be the same person as the CEO of the entity.	No	Robert Gavshon is the Chairman of the Board and as such the Company does not satisfy this Recommendation (that is, because he is not considered by the other Directors to be “independent”). Nonetheless, the Directors other than Robert Gavshon, consider that Robert Gavshon is the most the appropriate person to act as the Chairman of the Board given his experience and expertise.
2.6. A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing Directors to undertake professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.	Yes	As set out in the Nomination Committee Charter, the Nomination Committee is responsible for developing, implementing and reviewing director induction programs and to update and enhance directors’ continuing education measures to enhance and maintain the knowledge and skills necessary to perform their roles as directors effectively. As the Company has not yet established a Nomination Committee, the full Board undertakes the role of the nomination committee and considers all the matters as set out in the Company’s Nomination Committee Charter.
3. Instil a culture of acting lawfully, ethically and responsibly		
3.1. A listed entity should articulate and disclose its values.	Yes	<p>The Company’s values are:</p> <p>Learning changes lives.</p> <p>We have the power of diverse perspectives, the courage to pioneer, and the conviction to follow through.</p> <p>We act with rigour and consideration.</p> <p>And we say it as it is.</p> <p>The Company’s Code of Conduct also sets out the framework for achieving these value.</p> <p>The Company’s Code of Conduct is available on the Company Website at</p> <p>https://clueylearning.com.au/en/investor/corporate-governance.php.</p>
3.2. A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a code of conduct for its Directors, senior executives and employees; and (b) ensure that the Board or a committee of the Board is informed of any material breaches of that code. 	Yes	<p>The Company has a Code of Conduct that sets out the standards of behavior expected of all its employees. The Code of Conduct is available on the Company Website at:</p> <p>https://clueylearning.com.au/en/investor/corporate-governance.php.</p> <p>Any breach of compliance with the Code of Conduct is to be reported directly to the Board.</p>

ASX PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p>3.3. A listed entity should:</p> <p>(a) have and disclose a Whistleblower Policy; and</p> <p>(b) ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.</p>	Yes	<p>The Company has adopted a Whistleblower Policy which is available to view on the Company's website at https://clueylearning.com.au/en/investor/corporate-governance.php.</p> <p>Additionally, the spirit of a whistleblower policy is enshrined in the Company's Corporate Code of Conduct, in which employees are encouraged to raise any matters of concern in good faith without fear of retribution.</p>
<p>3.4. A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the Board or a committee of the Board is informed of any material breaches of that policy.</p>	No	<p>The Board considers that the Company is currently of a size, and its affairs of such complexity, that a separate anti-bribery and corruption policy is not yet necessary. The basic tenets of such a policy are included in the Company's Corporate Code of Conduct and the Board is informed of any material breaches of the Code.</p>
<p>4. Safeguard the integrity of corporate reports</p>		
<p>4.1. The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	Yes	<p>The Company has established a combined Audit and Risk Committee which comprises three members, a majority of whom are independent Non-Executive Directors.</p>
	Yes	<p>The committee is chaired by an independent Director, Michel Stibbard who is not the Chairperson of the Board.</p>
	Yes	<p>The Audit and Risk Committee comprises:</p> <ul style="list-style-type: none"> • Michael Stibbard – independent, Non-Executive Director (Chairperson of the Committee); • Louise McElvogue – independent, Non-Executive Director; and • Robert Gavshon - Non-Executive Director.
	Yes	
	Yes	
	Yes	<p>The Audit and Risk Committee Charter is available on the Company Website at: https://clueylearning.com.au/en/investor/corporate-governance.php.</p>
	N/A	<p>The Committee's members (who are also Directors of the company) and their relevant qualifications and experience, the number of times the Committee met throughout the reporting period and the attendance of the Committee's members at those meetings is set out in the Annual Report.</p>

ASX PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
4.2. The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	This is consistent with the approach adopted by the Audit and Risk Committee and Board. The Board receives a declaration in the form set out in Recommendation 4.2 from its CEO and CFO in relation to the financial statements. The Audit and Risk Committee is responsible for discussing with management and the external auditor the process surrounding and the disclosures made by the CEO and CFO in connection with their certification of the half yearly and annual financial statements.
4.3. A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes	The Company ensures that any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor undergoes review by the Board. The Board is responsible for reviewing and assessing all financial statements and reports which are required to be publicly released.
5. Make timely and balanced disclosure		
5.1. A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under ASX Listing Rule 3.1.	Yes	The Company has a Continuous Disclosure Policy that outlines the processes to be followed by the Company to ensure compliance with its continuous disclosure obligations. The Continuous Disclosure Policy is available on the Company Website at https://clueylearning.com.au/en/investor/corporate-governance.php .
5.2. A listed entity should ensure that its Board receives copies of all material market announcements promptly after they have been made.	Yes	This practice is adopted by the Company, as set out in the Company's Continuous Disclosure Policy available on its website.
5.3. A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	This practice is adopted by the Company, as set out in the Company's Continuous Disclosure Policy available on its website. Any materials distributed at analyst and media briefings will be lodged with ASX at the time of the briefing, and at investor meetings, the Company will not disclose any information that a reasonable person might regard as being price sensitive unless such information has previously been released to the market through the ASX or is otherwise already in the public domain.
6. Respect the rights of security holders		
6.1. A listed entity should provide information about itself and its governance to investors via its website.	Yes	Information about the Company and its operations is available on the Company Website. Information about the Company's corporate governance (including links to the Company's corporate governance policies and charters) can be accessed from the Company Website.



ASX PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
6.1. A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Yes	<p>The Company has a Shareholder Communications Strategy which is available on its website at:</p> <p>https://clueylearning.com.au/en/investor/corporate-governance.php.</p> <p>This policy outlines the processes followed by the Company to ensure effective two-way communication with shareholders and the investment community.</p>
6.2. A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	The Company's Shareholder Communications Strategy sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of Shareholders.
6.3. A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	All substantive resolutions at a meeting of security holders of the Company is decided by way of poll.
6.4. A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company's Shareholder Communication Strategy, a copy of which is available on the Company's website, provides that as part of the Company's investor relations program, Shareholders can register with the Company Secretary to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.
7. Recognise and manage risk		
7.1. The Board of a listed entity should:		
(a) have a committee or committees to oversee risk, each of which:	Yes	The Company has established a combined Audit and Risk Committee which comprises of 3 members – see Recommendation 4.1 above.
(1) has at least three members, a majority of whom are independent Directors; and	Yes	A copy of the Audit and Risk Committee Charter is available on the Company website at:
(2) is chaired by an independent director, and disclose	Yes	https://clueylearning.com.au/en/investor/corporate-governance.php .
(3) the charter of the committee;	Yes	
(4) the members of the committee; and	Yes	The Committees members (who are also Directors of the Company) met throughout the Reporting Period and the attendance of the Committee's members at those meetings is set out in the Annual Report.
(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	Yes	
(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	N/A	



ASX PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p>7.2. The Board or a committee of the Board should:</p> <p>(a) review the entity’s risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Yes	<p>The risk management framework is established within the Audit and Risk Committee Charter.</p> <p>The Company has a written Risk Management Policy which is available on the Company’s website at:</p> <p>https://clueylearning.com.au/en/investor/corporate-governance.php.</p> <p>The Audit and Risk Committee reviews the Company’s risk profile and processes and this process was completed during FY21.</p>
<p>7.3. A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluation and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p>No</p> <p>Yes</p>	<p>The Company does not have an internal audit function due to the relative nature and scale of its operations, and the costs of having an internal audit function. Adequate risk management policies and internal control processes are in place. The Audit and Risk Committee is responsible to evaluate the effectiveness of its risk management systems and internal control processes, and it reports directly to the Board.</p>
<p>7.4. A listed entity should disclose whether it has any material exposure to environmental or social risks and if it does, how it manages or intends to manage those risks.</p>	Yes	<p>The Company does not have material exposure in these areas, other than as disclosed in Sections 1.5 and 5 of the Company’s Prospectus dated 23 October 2020. The Company reviews risks applicable to its operations in accordance with its Risk Management Policy, a copy of which is available on the Company’s website at:</p> <p>https://clueylearning.com.au/en/investor/corporate-governance.php.</p>
<p>8. Remunerate fairly and responsibly</p>		
<p>8.1. The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>N/A</p>	<p>The Company has established a Remuneration Committee which comprises three members, a majority of whom are independent Non-Executive Directors.</p> <p>The committee is chaired by an independent Director, Louise McElvogue who is not the Chairperson of the Board.</p> <p>The Remuneration Committee comprises:</p> <ul style="list-style-type: none"> Lousie McElvogue– independent, Non-Executive Director (Chairperson of the Committee); Ian Young – independent, Non-Executive Director; and Robert Gavshon - Non-Executive Director. <p>The Remuneration Committee Charter is available on the Company Website at:</p> <p>https://clueylearning.com.au/en/investor/corporate-governance.php.</p> <p>The Committee’s members (who are also Directors of the company) and their relevant qualifications and experience, the number of times the Committee met throughout the reporting period and the attendance of the Committee’s members at those meetings is set out in the Annual Report.</p>

ASX PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
8.2. A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives.	Yes	The Company's policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of executive Directors and other senior executives is set out in the Remuneration Report contained in the Annual Report.
8.3. A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Yes	The Company's employee incentive scheme titled the "Omnibus Incentive Plan" (ESOP) prohibits participants from entering into transactions which limit the economic risk of participating in the ESOP. The ESOP was lodged with ASX on 8 December 2020.

ASX Additional Information



ASX Additional Information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below.

Business objectives

Cluey will focus primarily on growing its active students, student activity, and student contribution as part of its core growth strategy.

Additionally, Cluey's investments and capabilities are anticipated to create opportunities for further growth and expansion outside its core services and markets, to both complement and diversify its current products and revenue streams.

In accordance with the Listing requirements ASX 4.10.19, the directors confirm that the Group has used cash and cash equivalents that were held at the time of listing in a way consistent with its stated business objectives.

Shareholdings (as at 3 September 2021)

Substantial shareholders

The names of substantial shareholders (including their associates) who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

Shareholder	Number of ordinary shares held ¹
Mark Rohald (including Mistdean Pty Ltd as trustee for the Mistdean Trust)	14,432,354
Milford Asset Management Limited	13,312,017
Robert Gavshon (including Sarwill Pty Ltd as trustee for the Gavshon Family Superannuation Fund)	9,452,269
Thorney Technologies Ltd (including Thistle Custodians Pty Ltd)	9,025,512
Sam Linz (including Dufus Pty Ltd as trustee for the Linz Superannuation Fund)	8,579,271
Acorn Capital Limited	8,184,925
Allectus Capital Limited	7,072,820

Cluey also previously announced on 11 December 2020 that it held a technical relevant interest in 40,431,327 ordinary shares of the Company, which arose by virtue of the voluntary escrow arrangements which were entered into between Cluey and certain of its shareholders as part of the initial public offering. On 3 September 2021, 8,143,549 ordinary shares remain subject to voluntary escrow arrangements. Of these shares subject to voluntary escrow arrangements, the voluntary escrow will expire for 6,494,754 shares on or around 28 February 2022, for 49,147 shares on or around 3 December 2023, and the voluntary escrow for the balance of 1,590,648 shares will expire on the settlement of treasury arrangements.

Voting Rights

Ordinary shares

There were 1,020 holders of ordinary shares of the Company, which includes both quoted and unquoted securities. The voting rights attaching to the ordinary shares allow on a show of hands every member present at a meeting in person or by proxy shall have one vote, and upon a poll, each share shall have one vote.

Incentive options and performance rights

There are no voting rights attached to incentive options or performance rights.

¹ Number of ordinary shares held are as per the most recent notice of substantial holding received by the Company, up to 3 September 2021

Twenty largest shareholders

The names of the twenty largest shareholders of the quoted shares² are:

Holder Name	Holding	% Issued Share Capital
NATIONAL NOMINEES LIMITED	8,338,217	8.84%
ALLECTUS CAPITAL LIMITED	7,072,820	7.50%
THISTLE CUSTODIANS PTY LTD	7,030,384	7.45%
CITICORP NOMINEES PTY LIMITED	5,602,257	5.94%
BNP PARIBAS NOMS PTY LTD <DRP>	4,985,898	5.29%
MILFORD PRIVATE EQUITY II LP	4,778,709	5.07%
MISTDEAN P/L <MISTDEAN A/C>	4,112,501	4.36%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,710,724	3.93%
STARCASK PTY LTD	3,644,066	3.86%
SARWILL PTY LTD <THE GAVSHON FAMILY S/F A/C>	3,380,573	3.58%
DUFUS P/L <THE LINZ SUPER FUND A/C>	3,253,682	3.45%
AGINCOURT INVESTMENTS PTY LTD <BOHM FAMILY NO3 A/C>	1,822,035	1.93%
DEEMCO PTY LIMITED	1,620,731	1.72%
ACORN CAPITAL PRIVATE OPPORTUNITIES FUND LP	1,558,858	1.65%
QUARTET VENTURES (SPV) PTY LTD <QEH OPTION SHARE A/C>	1,530,065	1.62%
BARANA CAPITAL PTY LTD <THE SHAND FAMILY A/C>	1,366,525	1.45%
QUARTET VENTURES (SPV) PTY LTD <QEH OPTION SHARE A/C>	1,224,906	1.30%
OWLEPHANT PTY LTD <THE ALLARA GLASGOW FAM A/C>	1,080,840	1.15%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,000,934	1.06%
JODI SHER	911,019	0.97%
Total	68,025,744	72.11%
Total issued capital – quoted shares	94,340,065	100.00%

Unquoted equity securities

The following holders hold greater than 20% of the total unquoted restricted shares on issue:

Holder Name	Holding	% Unquoted restricted shares
MISTDEAN P/L <MISTDEAN A/C>	7,748,511	30.72%
SARWILL PTY LTD <THE GAVSHON FAMILY S/F A/C>	5,958,560	23.62%
DUFUS P/L <THE LINZ SUPER FUND A/C>	5,325,589	21.11%

² Quoted shares exclude 25,222,293 unquoted restricted shares which are subject to ASX mandatory escrow until 9 December 2022.

Holding and distribution of shareholders

The holding and distribution of quoted shares is:

Holding Ranges	Holders	Total Units	% Quoted shares
above 0 up to and including 1,000	228	147,584	0.16%
above 1,000 up to and including 5,000	344	956,752	1.01%
above 5,000 up to and including 10,000	136	1,060,638	1.12%
above 10,000 up to and including 100,000	218	6,559,495	6.95%
above 100,000	76	85,615,596	90.75%
Totals	1,002	94,340,065	100.00%

The holding and distribution of unquoted restricted shares is:

Holding Ranges	Holders	Total Units	% Unquoted restricted shares
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	7	341,620	1.35%
above 100,000	11	24,880,673	98.65%
Totals	18	25,222,293	100.00%

The holding and distribution of unquoted options is:

Holding Ranges	Holders	Total Units	% Unquoted options
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	6	60,000	1.76%
above 10,000 up to and including 100,000	35	1,542,000	45.33%
above 100,000	7	1,800,000	52.91%
Totals	48	3,402,000	100.00%

The holding and distribution of unquoted performance rights is:

Holding Ranges	Holders	Total Units	% Unquoted performance rights
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	1	100,000	14.81%
above 100,000	4	575,000	85.19%
Totals	5	675,000	100.00%

The number shareholders holding a less than marketable parcel of quoted shares is 37.

On-market buy-back

There is no current on-market buy-back.

Corporate Directory

Directors

Robert Gavshon - Chairman

Mark Rohald - Chief Executive Officer

Professor Ian Young

Michael Stibbard

Louise McElvogue

Company secretary

Greg Fordred

Registered office (from 1 October 2021)

Suite 2, Level 2
117 Clarence Street
Sydney NSW 2000

Tel: 1300 182 000 (within Australia)

Email: investor.relations@clueylearning.com

Website

<https://clueylearning.com.au>

Stock exchange listing

Cluey Ltd shares are listed on the Australian Securities Exchange (ASX code: CLU)

Share register

Automatic Pty Ltd

Level 5
126 Phillip Street
Sydney NSW 2000

Tel: 1300 288 664 (within Australia)
+61 2 8072 1400 (outside Australia)

Email: hello@automatic.com.au

Auditor

Deloitte Touche Tohmatsu

Grosvenor Place
225 George Street
Sydney NSW 2000

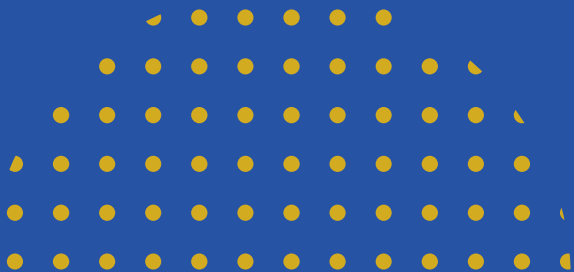
Legal advisor

K&L Gates LLP

Level 31
1 O'Connell Street
Sydney NSW 2000

ABN

65 644 675 909







Suite 2, Level 2, 117 Clarence Street, Sydney 2000

