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openlearning

ASX:OLL

#1 Lifelong Learning Platform in
Australia and Malaysia

NOVEMBER 2019

OPENLEARNING IS AN ONLINE LEARNING PLATFORM AT THE FOREFRONT OF EDUCATION DELIVERY

TARGETING THE **LARGE AUSTRALIAN & SOUTHEAST ASIAN** HIGHER EDUCATION MARKETS

- FOUNDED IN SYDNEY IN 2012
- EXPANDED TO SOUTHEAST ASIA IN 2015
- **MONETISATION VIA SAAS** BEGAN IN SEPT 2017
- \$16.5M IN FUNDS RAISED PRIVATELY SINCE INCORPORATION
- **RAISED \$8M IN IPO** ON THE ASX FOR RAPID GROWTH



1.72M UNIQUE LEARNERS
53.67% CAGR
OVER 3YRS



60 B2B SAAS CUSTOMERS
INCLUDES 9 OF 43
AUS UNIVERSITIES

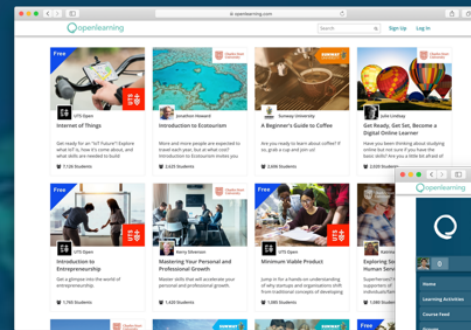


NOV 2019 SAAS
ARR **A\$896K**

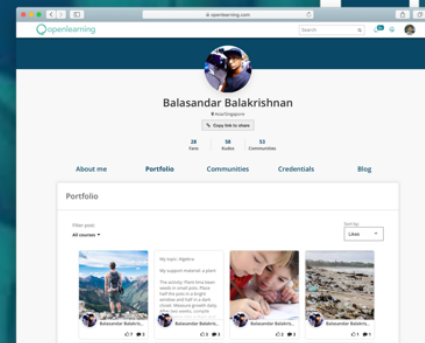
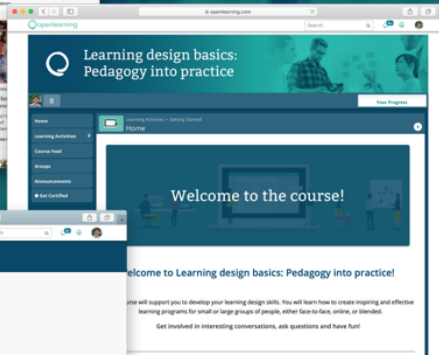


95% YOY GROWTH IN ARR

1. DISCOVER COURSES



2. LEARN ONLINE



3. SHOWCASE SKILLS

STELLAR BOARD OF DIRECTORS



KEVIN BARRY
NON-EXECUTIVE CHAIRMAN

Kevin has over 24 years' experience in law, property finance and funds management. Kevin has worked at leading firms KPMG, Blake Dawson, Norton Rose and Zurich Capital Markets. Kevin is currently MD of Thakral Capital Australia and the Chairman of ICS Global (ASX:ICS).



ADAM BRIMO
EXECUTIVE DIRECTOR

Adam left Macquarie Group to found OpenLearning with fellow UNSW software engineer David Collien and renowned Prof Richard Buckland in 2012. Adam was recognised in Forbes 2017 30-under-30 in Asia Consumer Technology and has been added to the Pearcey Foundation Tech Entrepreneur Hall of Fame.



DAVID BUCKINGHAM
NON-EXECUTIVE DIRECTOR

David has had an impressive career which includes senior roles at PWC, VirginMedia and iiNet. Most recently David was Group CEO and Managing Director of education company, Navitas (ASX:NVT), where he oversaw its \$2.3B sale to private equity firm BGH Capital.



SPIRO PAPPAS
NON-EXECUTIVE DIRECTOR

Former executive general manager of Global Institutional Banking at NAB & CEO of Nab Asia. Spent over 13 years in London and NY, including 11 years with ABN AMRO where he managed a number of global businesses. Currently sits as Chairman of Atlas Iron (ASX:AGO) and Splitit Ltd (ASX:SPT).



MAYA HARI
NON-EXECUTIVE DIRECTOR

A business leader with a proven track record across 2 decades of technology & digital lifestyle experience amassed at companies such as Google, Conde Nast, Samsung, Microsoft & Cisco. Maya is currently Twitter's VP and MD for Asia Pacific & serves as the president of TiE in Singapore



BEVERLEY OLIVER
NON-EXECUTIVE DIRECTOR

Beverley brings significant education experience, leading innovations in digital education with her most recent role as Deputy Vice-Chancellor Education and Alfred Deakin Professor at Deakin University. Beverley has been recognised with numerous awards and is a Principal Fellow of UK's Higher Education Academy.

PROBLEM: ACCESS TO QUALITY ONLINE EDUCATION IS LIMITED, NEW SKILLS ARE REQUIRED

70%

SEMI-SKILLED JOBS IN MALAYSIA ARE AT A HIGH RISK OF AUTOMATION

KHAZANAH
RESEARCH
INSTITUTE

74%

AUSTRALIAN WORKERS ARE READY TO COMPLETELY RETRAIN TO REMAIN EMPLOYABLE


pwc

50%

WORLD ECONOMY AFFECTED IF CURRENT AUTOMATION TECHNOLOGY IS ADOPTED

McKinsey
& Company

SOLUTION: NEXT GENERATION ONLINE LEARNING PLATFORM FOR EDUCATION PROVIDERS



MARKETPLACE

Global high-traffic website for learners to discover new courses and degrees and providers to market their courses



ONLINE EDUCATION

Scalable cloud platform for education providers to create, sell and deliver high quality courses and degrees



PORTFOLIOS

Automatically generated portfolio to showcase learner's skills and credentials to potential employers



MICRO-CREDENTIALS

Transportable badges and verifiable certificates issued directly through the platform



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OPENLEARNING IS NOW ONE OF THE WORLD'S LARGEST **ONLINE EDUCATION PLATFORMS**

830K

MICRO-CREDENTIALS
ISSUED GLOBALLY

1.72M

UNIQUE REGISTERED
LEARNERS AROUND THE WORLD

29M

PEER INTERACTIONS
BETWEEN LEARNERS

TARGETING THE \$46.9 BILLION MARKET OPPORTUNITY IN AUSTRALIA AND MALAYSIA

GLOBALY SIGNIFICANT MARKETS

(ROOM FOR GROWTH)

- AUSTRALIA AND MALAYSIA ARE GROWING GLOBAL **HIGHER EDUCATION HUBS**
- HIGHER EDUCATION IS A LARGE **KEY SECTOR** IN BOTH HIGH INCOME & EMERGING MARKETS
- AUSTRALIAN HIGHER EDUCATION IS **HIGHLY REGARDED IN MALAYSIA**
- REGIONAL OFFICE IN KUALA LUMPUR ENABLES US TO **SERVICE SOUTHEAST ASIAN CLIENTS**
- **EXPANSION OPPORTUNITY** INTO CORPORATE AND PROFESSIONAL DEVELOPMENT SECTOR

HIGHER EDUCATION MARKET SIZE

(5,523 HIGHER EDUCATION PROVIDERS)

	AUSTRALIA			MALAYSIA ¹	
	# OF PROVIDERS	# OF LEARNERS	ESTIMATED MARKET REVENUE (AUD)	# OF PROVIDERS	# OF LEARNERS
UNIVERSITY AND OTHER HIGHER EDUCATION ²	176	1.48m	\$37.9b	672	1.3m
TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING ³	4,675	4.06m	\$9b		

1. https://www.kooperation-international.de/uploads/media/3_Malaysia_Education_Blueprint_2015-2025_Higher_Education_.pdf

2. <https://www.tegsa.gov.au/latest-news/publications/statistics-report-tegsa-registered-higher-education-providers-2018>

3. https://www.ncver.edu.au/_data/assets/pdf_file/0031/6925090/Total-VET-students-and-courses-2018.pdf

4. <https://www.ibisworld.com.au/industry-trends/market-research-reports/education-training/art-non-vocational-education.html>

5. <https://www.ibisworld.com.au/industry-trends/market-research-reports/personal-services/industry-associations.html>

6. <http://www.malaysiaservicecentre.com/associations.html> - MANAGEMENT ESTIMATE, # OF LEARNERS IS THE SIZE OF THE LABOUR FORCE <https://www.abs.gov.au/ausstats/abs@.nsf/mf/6202.0> and https://www.dosm.gov.my/v1/index.php?r=column/cthemedByCat&cat=126&bul_id=ekU0SG1yQk1wcExKUDhvN2RHTlhjZz09&menu_id=U3VPMldoYUxzVzFaYmNkWXZteGduZz09

OUR BLUE-CHIP CLIENTS IN MULTI-BILLION DOLLAR MARKETS

\$46.9b TOTAL EDUCATION EXPENDITURE IN AUSTRALIA* AND SUBSTANTIAL MARKET IN MALAYSIA

UNIVERSITY AND OTHER HIGHER EDUCATION



TECHNICAL AND VOCATIONAL EDUCATION



CORPORATE TRAINING AND PROFESSIONAL DEVELOPMENT



INDUSTRY ASSOCIATIONS



* MANAGEMENT ESTIMATES COMPILED FROM PUBLICLY AVAILABLE INFORMATION, FULL REFERENCES AVAILABLE ON REQUEST.
 * <https://www.ibisworld.com.au/industry-trends/market-research-reports/education-training/technical-vocational-education-training.html>

RAPID CUSTOMER GROWTH AND HIGH CUSTOMER LIFETIME VALUE

\$18,178

B2B customer acquisition cost (CAC)

\$247,251

Lifetime value per B2B customer (LTV)

\$13,378

Average ARR per B2B customer

95%

Year-on-year total ARR growth in Nov 2019

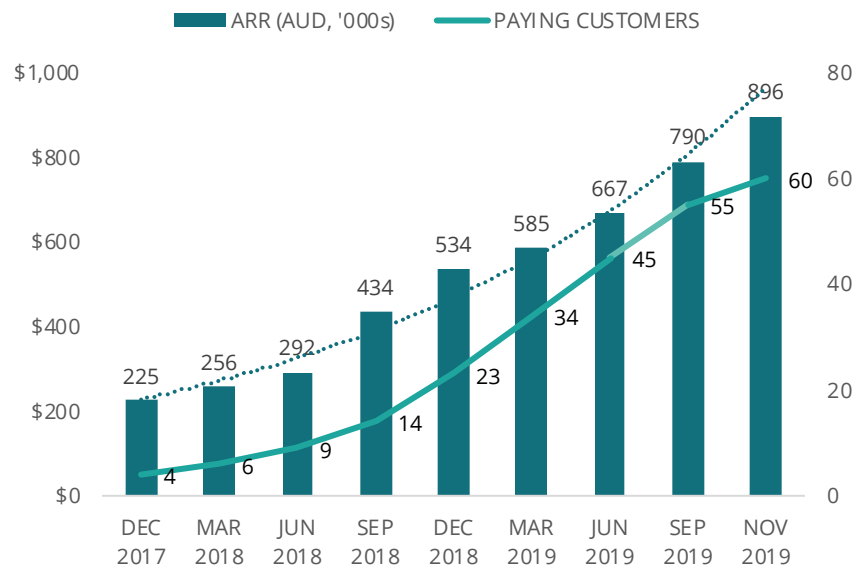
57.2%

B2B ARR from Australia

0.61%

B2B customer monthly churn rate

ANNUALISED RECURRING REVENUE (ARR) AND B2B CUSTOMER GROWTH



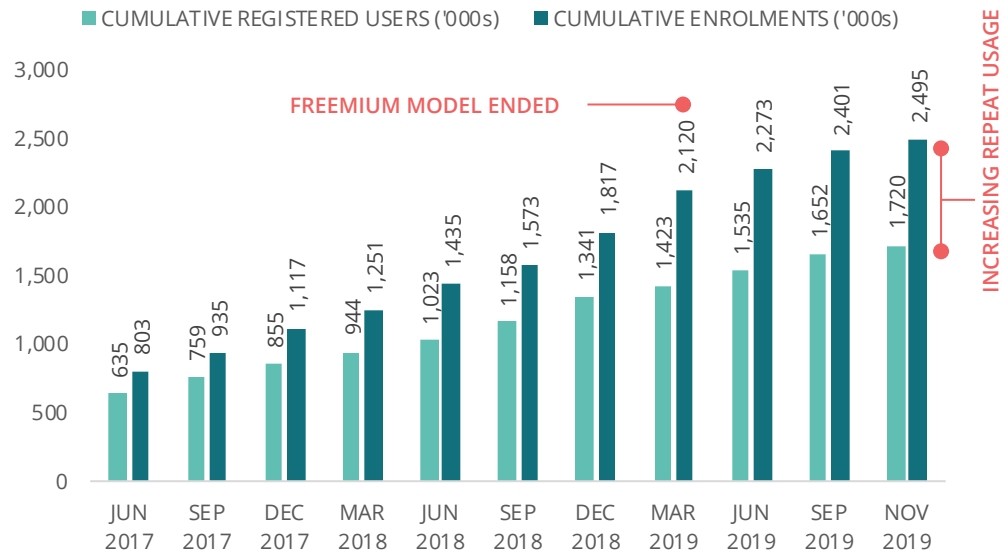
* CAC INCLUDES SALES/MARKETING STAFF AND EXPENSES DIRECTLY ASSOCIATED WITH B2B CUSTOMER ACQUISITION

* LTV CALCULATION ASSUMES 75% GROSS MARGIN AND 12%/YEAR ARR EXPANSION ON B2B CUSTOMERS

STRONG ORGANIC GROWTH AND REPEAT USAGE

<p>1.72m</p> <p>Unique registered learners</p>	<p>2.5m</p> <p>Aggregate enrolments in courses</p>
<p>8k</p> <p>Active running courses</p>	<p>5.5m</p> <p>Behavioural events logged monthly</p>
<p>436k</p> <p>Active learners</p>	<p>165</p> <p>Countries with active learners</p>

CUMULATIVE REGISTERED USERS AND ENROLMENTS



* ACTIVE COURSE COUNT IS CALCULATED FROM COURSES ACCESS > 10 TIMES BETWEEN 1 OCT 2018 TO 30 NOV 2019
 * ACTIVE LEARNER INCLUDES ALL LEARNERS WHO HAVE ACCESSED A COURSE IN THE 12 MONTHS PRIOR TO 30 SEPT 2019
 * CUMULATIVE FIGURES ARE CALCULATED FROM INCEPTION

OPENLEARNING IS THE LEADER IN AU/SEA: HIGH STRATEGIC VALUE

COURSERA (US)

- Since 2011
- 40M users
- 201 institutions

coursera



FUTURELEARN (UK)

- Since 2013
- 10M users
- 83 education providers



edX[®]

EDX (US)

- Since 2011
- 20M users
- 108 education providers

UDACITY (US)

- Since 2011
- 15M users
- 20 companies

OPENLEARNING (AU)

- Since 2012
- 1.72M users
- 60 education providers



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THE ONLY MAJOR PLATFORM WITH A SAAS MODEL

analyse only

	openlearning	coursera		edX [®]	Future Learn
HEADQUARTERS	Australia	United States	United States	United States	United Kingdom
PRODUCT CATEGORY	Platform Provider	Education Provider	Education Provider	Education Provider	Education Provider
EDUCATION PROVIDER PARTNER CRITERIA	Non-exclusive (open to all education providers)	Exclusive, based on university rankings	Only industry, no new university partners	Exclusive, based on university rankings	Exclusive, based on university rankings
PRIMARY BUSINESS MODEL	SaaS	Revenue share on student fees	Revenue share on student fees	Revenue share on student fees	Revenue share on student fees
EDUCATIONAL PHILOSOPHY	Active learning, project-based, peer-to-peer learning	Passive learning, videos	Passive learning, videos	Passive learning, videos	Passive learning, discussion
AUSTRALIAN HIGHER EDUCATION PARTNERS	10	5	1	4	9

* COMPARISON BASED ON INTERNAL ANALYSIS BY MANAGEMENT AS AT 30 SEPT 2019

B2B SAAS BUSINESS MODEL FOR EDUCATION PROVIDERS

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PRICING TIERS

INDIVIDUAL

TEAM

INSTITUTION

ENTERPRISE

CUSTOMER PROFILE

- Online trainer
- Teacher
- Lecturer

- CPD provider
- Internal corporate training

- Vocational college
- Private higher education provider

- University
- Large corporate
- Government

NUMBER OF LEARNERS

250

500

1,000

5,000

NUMBER OF EDUCATORS

1

5

Unlimited

Unlimited

STARTING ANNUAL RECURRING FEE BASED ON THE # OF LEARNERS ABOVE

\$600/year

\$2,400/year

\$9,900/year

Tailored Pricing

VALUE-ADDED SERVICES

- N/A

- Training Workshops

- Training Workshops
- Learning design
- Marketing (% of student fees)

- Training workshops
- Learning design
- Marketing (% of student fees)
- Tailored onboarding

MARKET SIZE (AU/SEA)

>10,000,000 educators/teachers

>500,000 providers/SMEs

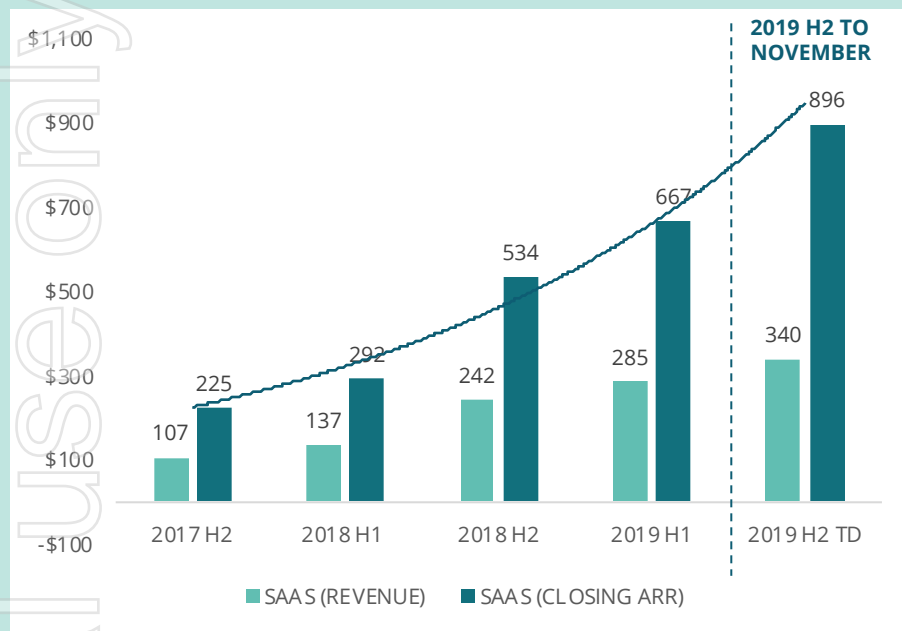
>10,000 education providers/colleges

>1,000 large universities/enterprises

BUILT FOR GROWTH, FOCUSED ON MONETISATION

FOCUSED ON GROWING RECURRING REVENUE¹

(HALF-YEARLY, AUD, '000s)



HISTORICAL PROFIT AND LOSS STATEMENT

(CALENDAR YEAR, AUD, '000s)

	2017	2018	2019 H1
GROSS SALES/REVENUE			
PLATFORM SAAS	210	379	285
SERVICES/MARKETPLACE	1,031	1,508	705
TOTAL GROSS SALES	1,241	1,887	990
REVENUE SHARE WITH PROVIDERS	(67)	(123)	(204)
TOTAL REVENUE	1,174	1,764	786
EXPENSES			
CLOUD HOSTING	(321)	(496)	(220)
EMPLOYEES AND CONTRACTORS	(3,598)	(4,366)	(2,368)
OTHER EXPENSES	(1,297)	(1,451)	(490)
TAX, FINANCE INCOME/COST	124	174	(8)
PROFIT/LOSS FOR PERIOD	(3,918)	(4,375)	(2,300)

1. OPENLEARNING ENDED ITS FREEMIUM MODEL IN MARCH 2019 AND RESTRUCTURED ITS OPERATIONS IN JULY 2019 TO INCREASE ITS FOCUS ON GROWING SAAS REVENUE AND TO REDUCE THE COSTS OF ITS SERVICES BUSINESS

STRATEGY TO DELIVER SUSTAINABLE GROWTH

ACQUISITION

- INCREASED **SALES & MARKETING TEAM TO 30%** OF ALL STAFF IN JULY 2019
- **KEY BOARD APPOINTMENTS** WITH STRONG NETWORKS: DAVID BUCKINGHAM (EX-NAVITAS) AND BEVERLEY OLIVER (EX-DEAKIN UNI)
- SMALL CUSTOMERS CAN **SELF REGISTER, PAY AND ONBOARD 100% ONLINE**

ONBOARDING

- ESTABLISHED DEDICATED ONBOARDING TEAM IN MALAYSIA
- EXPANDED LEARNING DESIGN AND **CUSTOMER SUCCESS TEAMS**
- FREE ONLINE TRAINING COURSES

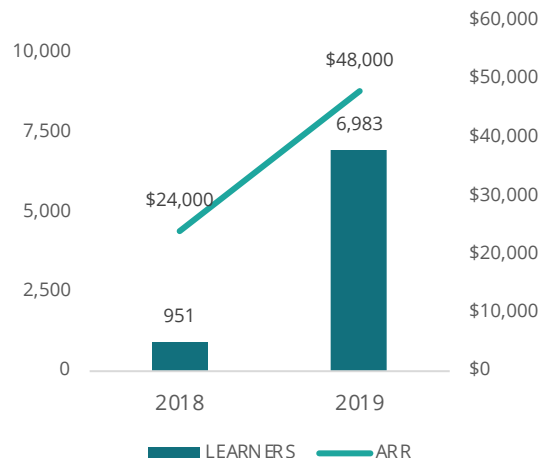
RETENTION/EXPANSION

- LAND & EXPAND STRATEGY TO **INCREASE SAAS REVENUE AT UNIVERSITIES** AND ENTERPRISES
- DATA ANALYTICS AND INTEGRATIONS TO **INCREASE STICKINESS**
- SUPPORT CUSTOMERS' **LEARNER ACQUISITION** STRATEGIES TO INCREASE THEIR ROI

CASE STUDY: INCREASING USAGE AT A TOP TIER UNI

AUSTRALIAN UNIVERSITY GREW FROM 10 COURSES AND 951 LEARNERS IN 2018 TO 25 COURSES AND 6,983 LEARNERS IN 2019.

100% INCREASE IN SAAS FEES IN 1 YEAR



LEARNERS DISCOVER COURSE & PAY ONLINE

EDUCATION PROVIDERS CAN SUBSCRIBE ONLINE

TAILORED ONBOARDING FOR UNIVERSITIES

HIGH QUALITY COURSE FROM TOP BRANDS

GLOBAL MARKETPLACE FOR ONLINE EDUCATION

SCALABLE CLOUD LEARNING PLATFORM

SCALABLE SALES AND ONBOARDING

NETWORK EFFECT

PROPRIETARY TECHNOLOGY

INDUSTRY-LEADING MANAGEMENT TEAM



ADAM BRIMO, MANAGING DIRECTOR & GROUP CEO

- B. Engineering (Software)/ B. Arts (Politics) from UNSW Sydney, honours at National ICT Australia
- Past: Engineer/Analyst at Macquarie Bank, Senior Engineer at Westpac Institutional Bank, Forbes 30 under 30 Asia 2017 (Consumer Technology)



CHERIE DIAZ, MANAGING DIRECTOR, AUSTRALIA

- B. Teaching/B. Arts from ACU, M. Arts (History) from Macq Uni, M. Arts (Education) from UTS
- Past: Head of Education Delivery at AICD, Director Customer Success at Scentia, Head of College at Study Group



DAVID COLLIEN, CHIEF TECHNOLOGY OFFICER

- B. Science (Computer Science, first class honours) and education PhD researcher at UNSW Sydney
- Past: AI researcher at National ICT Australia, Teaching assistant at UNSW Sydney, Developer at the Adaptive eLearning Research Group



SARVEEN KANDIAH, MANAGING DIRECTOR, MALAYSIA

- B. Science (Finance) from Indiana University's Kelley School of Business
- Past: Manager at CIMB Group, VP Investments at Malayan Traders Capital



HUAT KOH, CHIEF FINANCIAL OFFICER

- B. Commerce (Accounting) from UNSW Sydney
- Past: Head of Finance at Parkson Retail Asia Ltd (SGX listed) and Head of Finance at Mulpha International



ASX:OLL

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Authorised by:

Adam Brimo
Group CEO & Managing Director

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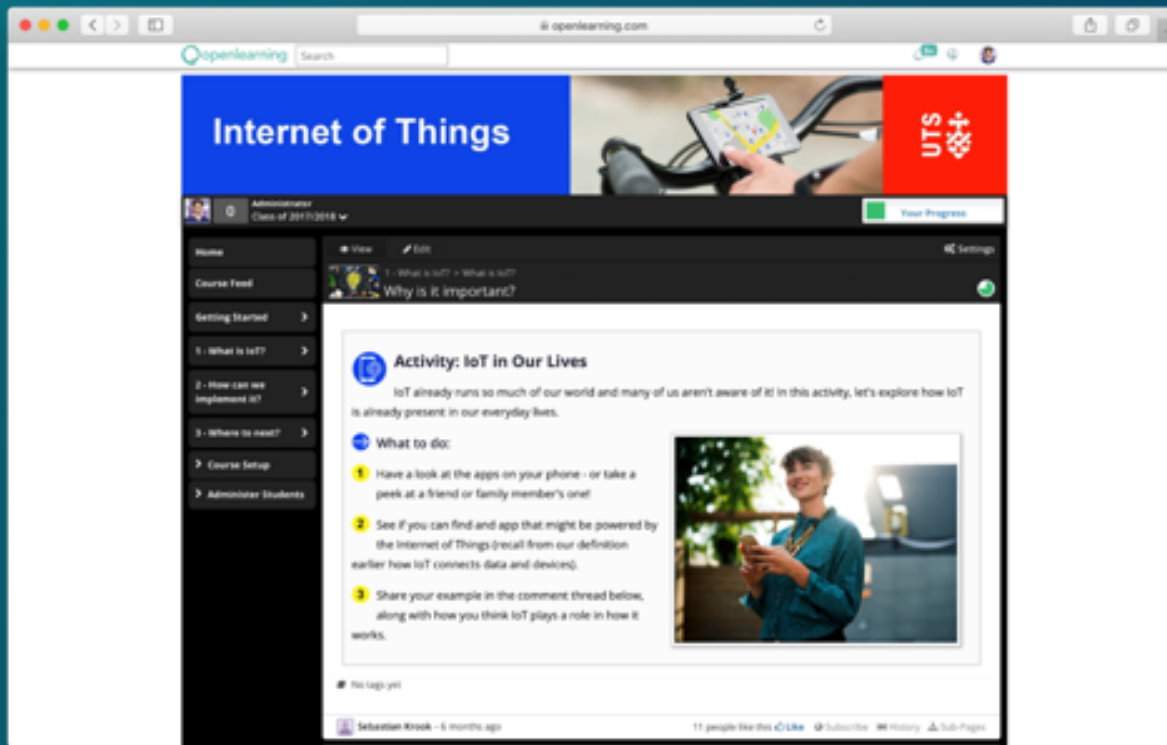
APPENDIX

EXTENSIVE DOMAIN EXPERTISE

- OpenLearning's team has experience designing courses and degrees in a range of disciplines, languages and countries.
- Successfully designed courses at all levels, from primary school through to undergraduate, postgraduate and executive education.
- Courses range in duration from 1 hour professional development courses through to masters degrees with 700 hours of learning time.



PROJECT-BASED SOCIAL LEARNING EXPERIENCE



The screenshot shows a web browser displaying an OpenLearning course page. The browser's address bar shows 'openlearning.com'. The page has a blue header with the text 'Internet of Things' and a red box with 'UTS' and a logo. Below the header, there's a navigation menu with 'Home', 'Course Feed', 'Getting Started', and '1 - What is IoT?'. The main content area is titled 'Activity: IoT in Our Lives' and contains the following text:

IoT already runs so much of our world and many of us aren't aware of it! In this activity, let's explore how IoT is already present in our everyday lives.

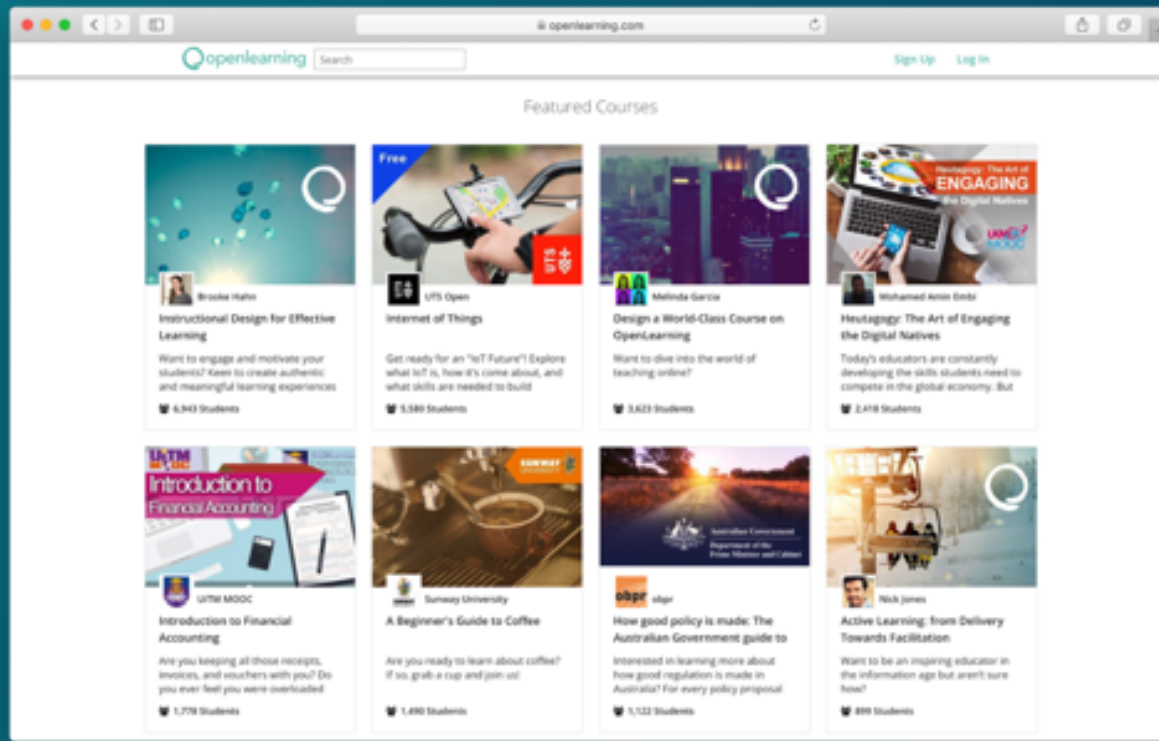
What to do:

- 1 Have a look at the apps on your phone - or take a peek at a friend or family member's one!
- 2 See if you can find an app that might be powered by the Internet of Things (recall from our definition earlier how IoT connects data and devices).
- 3 Share your example in the comment thread below, along with how you think IoT plays a role in how it works.

Below the activity, there's a photo of a woman in a blue shirt looking at her phone. At the bottom, it says 'No tags yet' and '11 people like this'.

WATCH: <https://www.youtube.com/watch?v=jvvqyYFAh9w>

GLOBAL MARKETPLACE FOR EDUCATION



WATCH: https://www.youtube.com/watch?v=-cv_owDce80

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PORTFOLIOS: AUTOMATICALLY **SHOWCASE SKILLS,** OUTCOMES AND MICRO-CREDENTIALS



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