



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



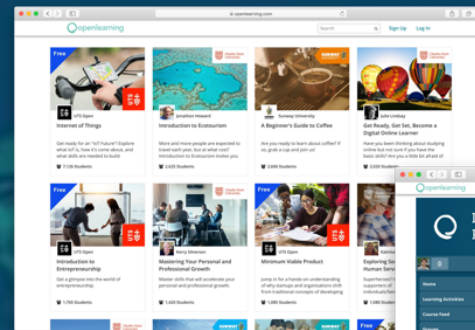
**60 B2B SAAS CUSTOMERS**  
INCLUDES 9 OF 43  
AUS UNIVERSITIES



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

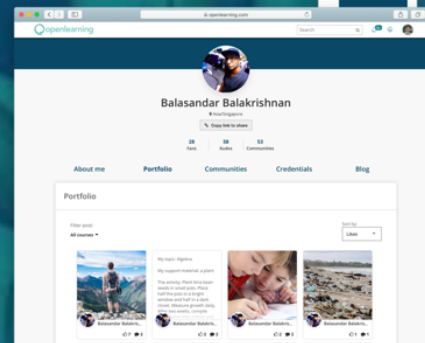
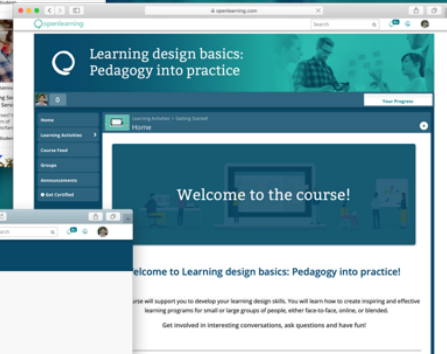


**95% YOY GROWTH IN ARR**



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 Chairperson 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

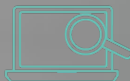
  
**pwc**

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



## MICRO-CREDENTIALS

Transportable badges and verifiable certificates issued directly through the platform



## 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



# 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 <sup>1</sup>	
	# OF PROVIDERS	# OF LEARNERS	ESTIMATED MARKET REVENUE (AUD)	# OF PROVIDERS	# OF LEARNERS
UNIVERSITY AND OTHER HIGHER EDUCATION <sup>2</sup>	176	1.48m	\$37.9b	672	1.3m
TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING <sup>3</sup>	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](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/cthemeByCat&cat=126&bul\\_id=ekU0SG1yQk1wcExKUDhvN2RHTlhjZz09&menu\\_id=U3VPMldoYUxzVzFaYmNkWXZteGduZz09](https://www.dosm.gov.my/v1/index.php?r=column/cthemeByCat&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

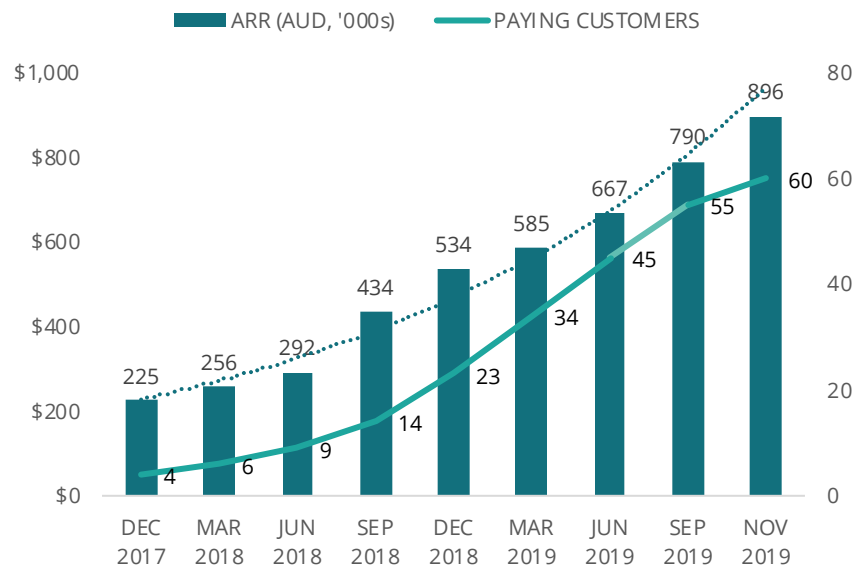
**57.2%**

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

1.72m

Unique registered learners

2.5m

Aggregate enrolments in courses

8k

Active running courses

5.5m

Behavioural events logged monthly

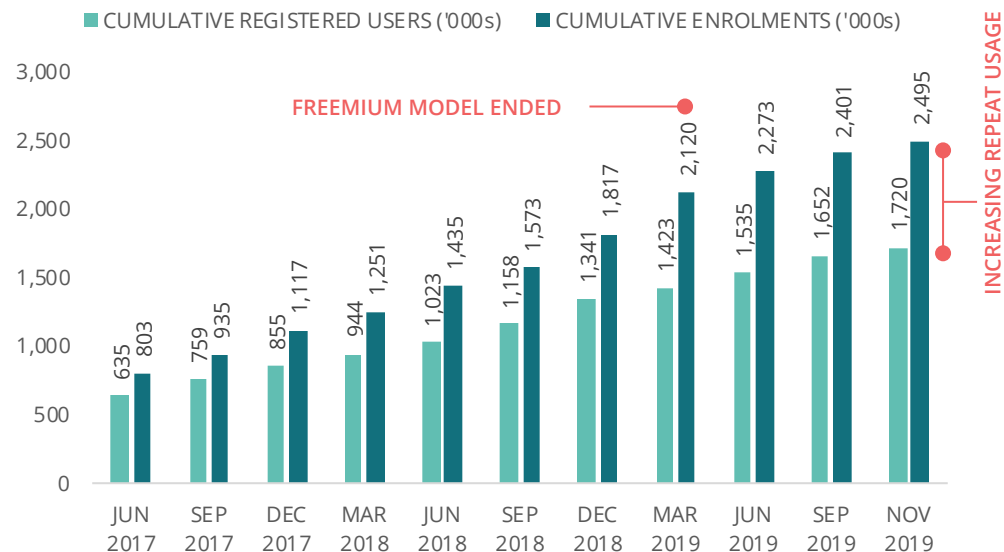
436k

Active learners

165

Countries with active learners

## 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



## UDACITY (US)

- Since 2011
- 15M users
- 20 companies

edX®

## EDX (US)

- Since 2011
- 20M users
- 108 education providers

Future  
Learn

## FUTURELEARN (UK)

- Since 2013
- 10M users
- 83 education providers

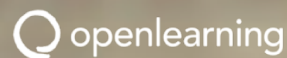
## OPENLEARNING (AU)

- Since 2012
- 1.72M users
- 60 education providers



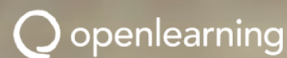



# THE ONLY MAJOR PLATFORM WITH A **SAAS MODEL**

real use only



**coursera**



		<b>coursera</b>			
<b>HEADQUARTERS</b>	Australia	United States	United States	United States	United Kingdom
<b>PRODUCT CATEGORY</b>	Platform Provider	Education Provider	Education Provider	Education Provider	Education Provider
<b>EDUCATION PROVIDER PARTNER CRITERIA</b>	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
<b>PRIMARY BUSINESS MODEL</b>	SaaS	Revenue share on student fees	Revenue share on student fees	Revenue share on student fees	Revenue share on student fees
<b>EDUCATIONAL PHILOSOPHY</b>	Active learning, project-based, peer-to-peer learning	Passive learning, videos	Passive learning, videos	Passive learning, videos	Passive learning, discussion
<b>AUSTRALIAN HIGHER EDUCATION PARTNERS</b>	10	5	1	4	9

# B2B SAAS BUSINESS MODEL FOR EDUCATION PROVIDERS

## PRICING TIERS

### CUSTOMER PROFILE

### NUMBER OF LEARNERS

### NUMBER OF EDUCATORS

### STARTING ANNUAL RECURRING FEE BASED ON THE # OF LEARNERS ABOVE

### VALUE-ADDED SERVICES

### MARKET SIZE (AU/SEA)

## INDIVIDUAL

- Online trainer
- Teacher
- Lecturer

250

1

\$600/year

- N/A

>10,000,000  
educators/teachers

## TEAM

- CPD provider
- Internal corporate training

500

5

\$2,400/year

- Training Workshops

>500,000  
providers/SMEs

## INSTITUTION

- Vocational college
- Private higher education provider

1,000

Unlimited

\$9,900/year

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

>10,000 education  
providers/colleges

## ENTERPRISE

- University
- Large corporate
- Government

5,000

Unlimited

Tailored Pricing

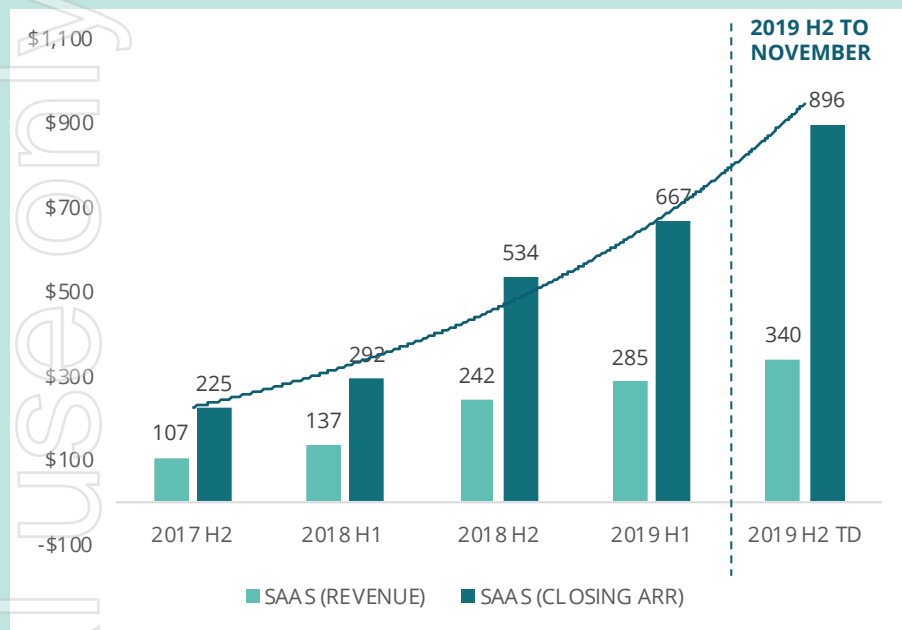
- Training workshops
- Learning design
- Marketing (% of student fees)
- Tailored onboarding

>1,000 large  
universities/enterprises

# BUILT FOR GROWTH, FOCUSED ON MONETISATION

## FOCUSED ON GROWING RECURRING REVENUE<sup>1</sup>

(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
<b>TOTAL GROSS SALES</b>	<b>1,241</b>	<b>1,887</b>	<b>990</b>
REVENUE SHARE WITH PROVIDERS	(67)	(123)	(204)
<b>TOTAL REVENUE</b>	<b>1,174</b>	<b>1,764</b>	<b>786</b>
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)
<b>PROFIT/LOSS FOR PERIOD</b>	<b>(3,918)</b>	<b>(4,375)</b>	<b>(2,300)</b>

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

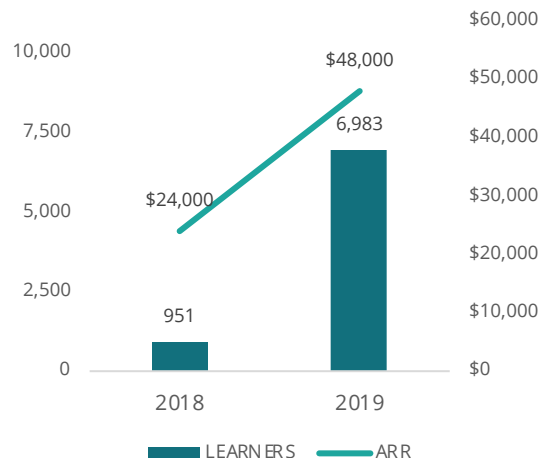
## RETENTION/EXPANSION

- 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

SCALABLE  
SALES AND  
ONBOARDING

HIGH QUALITY COURSE  
FROM TOP BRANDS

GLOBAL MARKETPLACE  
FOR ONLINE EDUCATION

NETWORK  
EFFECT

SCALABLE CLOUD  
LEARNING PLATFORM

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

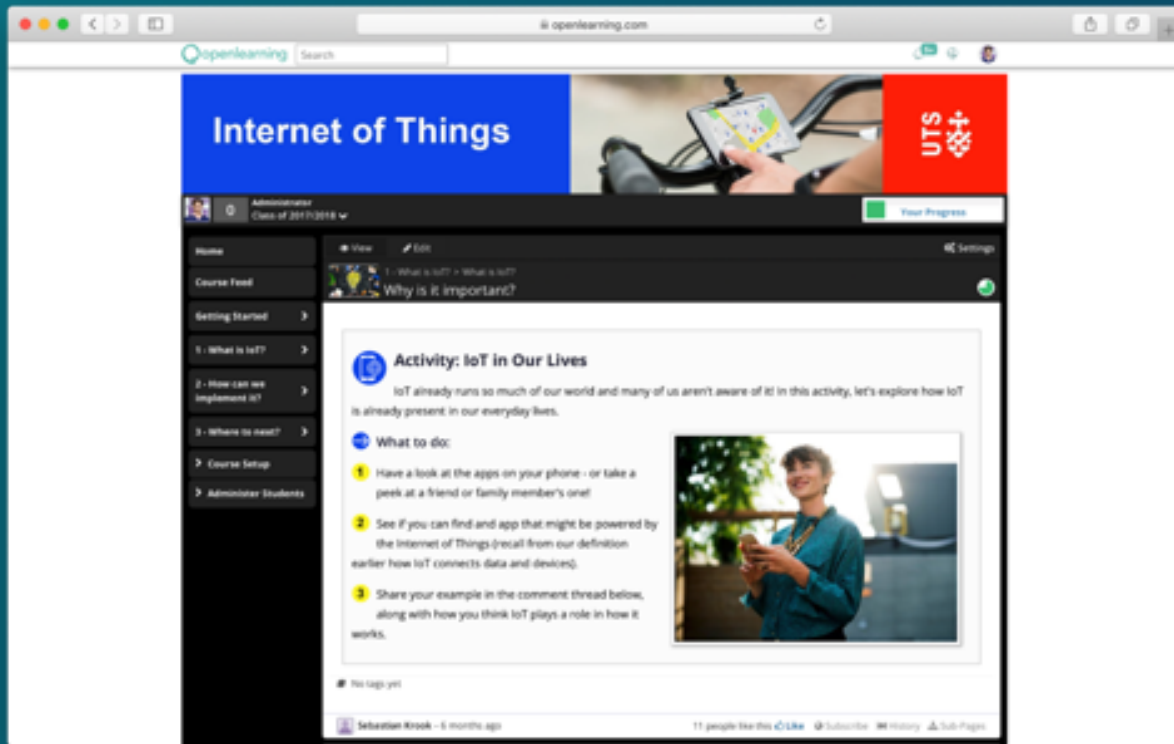
# APPENDIX

# 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.

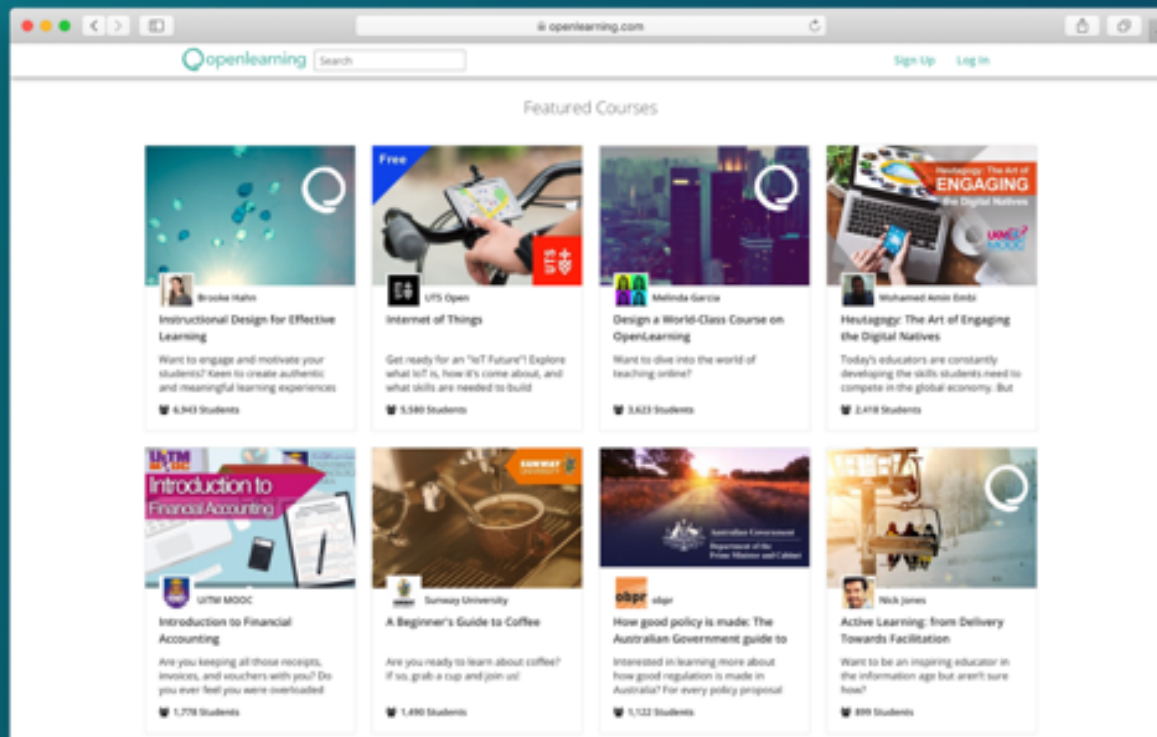


# PROJECT-BASED SOCIAL LEARNING EXPERIENCE



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

# GLOBAL MARKETPLACE FOR EDUCATION



**WATCH:** [https://www.youtube.com/watch?v=-cv\\_owDce80](https://www.youtube.com/watch?v=-cv_owDce80)

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





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