

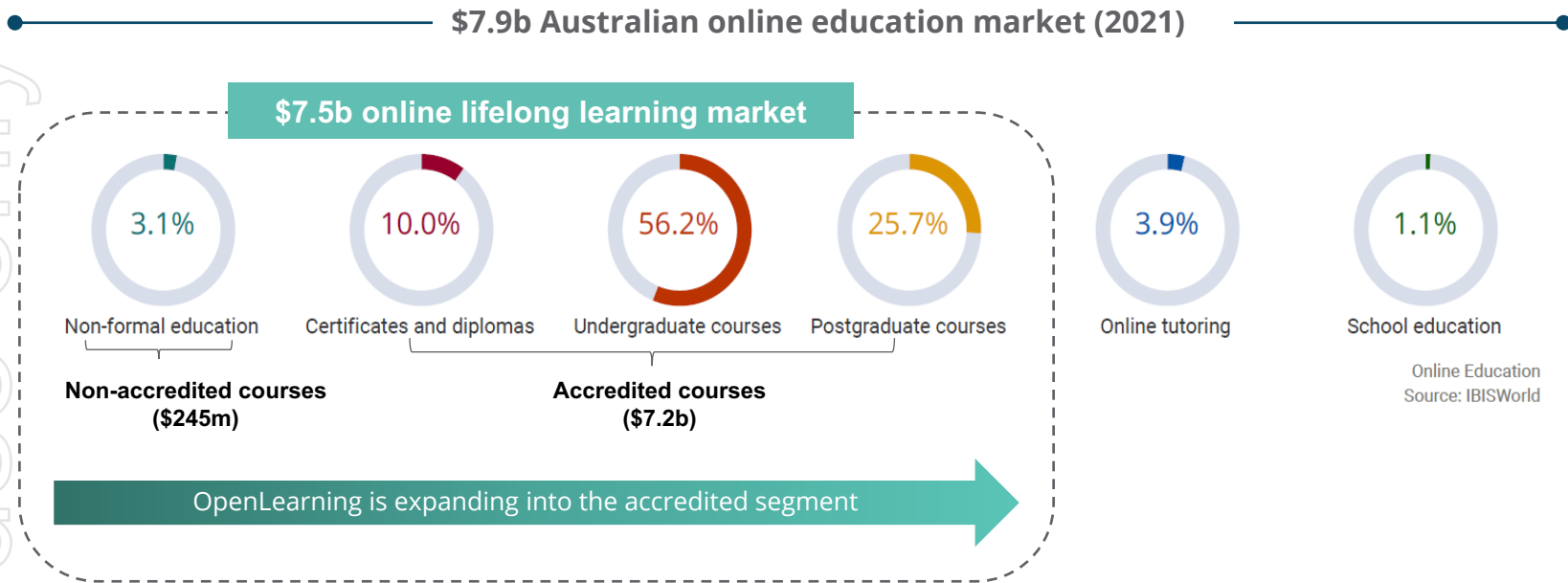
Investor Update

OpenLearning Limited (ASX: OLL)

June quarter FY21 results
30 July 2021

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Targeting Australia's \$7.5b online lifelong learning market



Source: Online Education in Australia - Market Size 2007-2027: <https://www.ibisworld.com/au/market-size/online-education>

A leading lifelong learning platform in Australia and Southeast Asia

2.9m
Learners¹

184
Education
providers²

50m
Learner
interactions

- **Complete solution for education providers to build a lifelong learning business**
 - Next generation learning platform
 - Easy to use course setup tools
 - Digital credentialing and portfolios
 - Robust assessment system
 - 'Know Your Learner' to identify academic misconduct
 - Integrated marketing tools and payment gateway
 - Scalable, modern cloud application (no IT required)
- **Differentiated by technology, learning philosophy, brand and geography**
 - Proprietary platform recognised for in-depth, high quality learning
 - Critical mass in two large lifelong learning markets
- **With inherent network effects**
 - Single global platform where everyone has an OpenLearning account
 - Consistently increases learner engagement/satisfaction by 20+ points

1. Total unique registered learners since the start of the OpenLearning platform. Last 12 months unique active users of 0.424m from 1 July 2020 to 30 June 2021.

2. Education providers subscribed to OpenLearning with ARR in excess of \$500/year

Offers a suite of products to enable education providers to operate in the online lifelong learning market



Platform Subscription

- Providing an innovative learning platform and tools on a SaaS model to enable education providers to deliver courses online

Program Delivery

- Partnering with top institutions to deliver programs on the OpenLearning platform with capabilities across full spectrum of program delivery

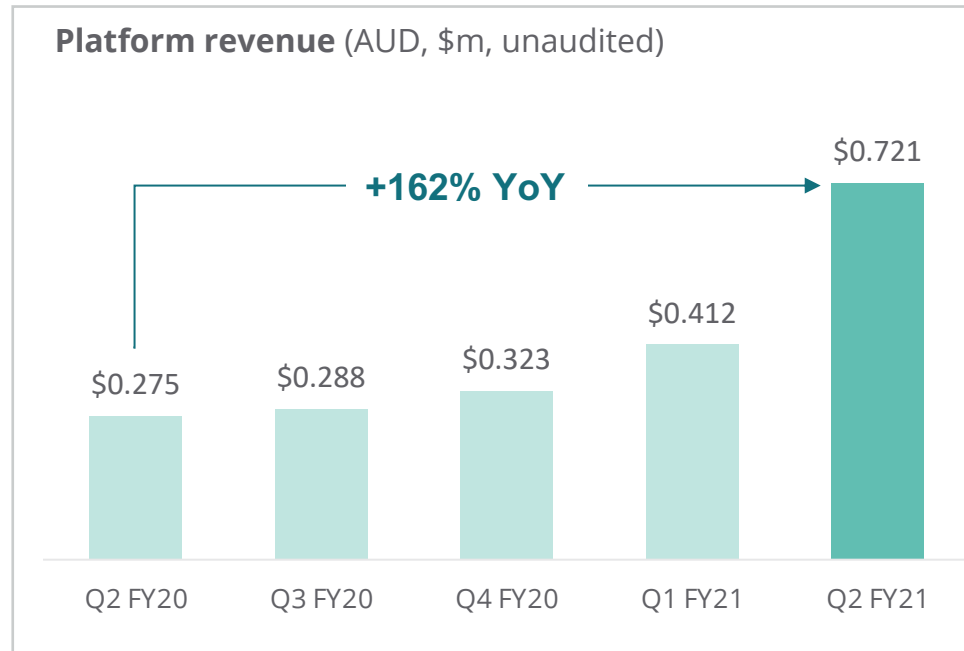
Value-add services

- Providing a marketplace and learning design services to clients to drive network effects and accelerate platform adoption

Note: Platform Subscription revenue includes: OpenLearning platform subscription, BEST Network; Program Delivery revenue includes: UNSW Transition Program Online, CS101 (pending); Value-added services revenue includes: marketplace, learning services and OpenCreds

A step change in Platform revenue growth from Platform Subscription and Program Delivery

- Platform revenue increased by 162% YoY, (75% QoQ growth) to \$0.721m
- Platform revenue is comprised of:
 - \$0.353m of Platform Subscription
 - \$0.368m of Program Delivery
- Successful commencement and completion of the 1st intake of UNSW Transition Program Online (TPO) with majority of revenue was accrued in Q2

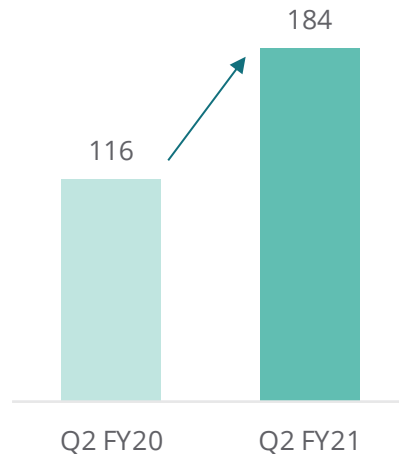


Continued growth in Platform Subscription

- Continued strong YoY growth in Platform Subscription:
 - 59% increase on platform SaaS customers;
 - 27% increase in annualise recurring revenue (ARR)
- Transition of customers to usage-based pricing and away from legacy fixed price contracts is well underway
- Usage-based pricing expected to have positive impact on revenue and gross margin over the medium term

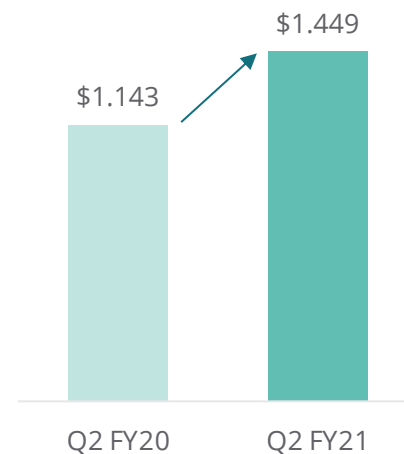
Platform SaaS Customers
(ARR > \$500 per year)

+59% YoY



SaaS ARR¹ (AUD, \$m)

+27% YoY



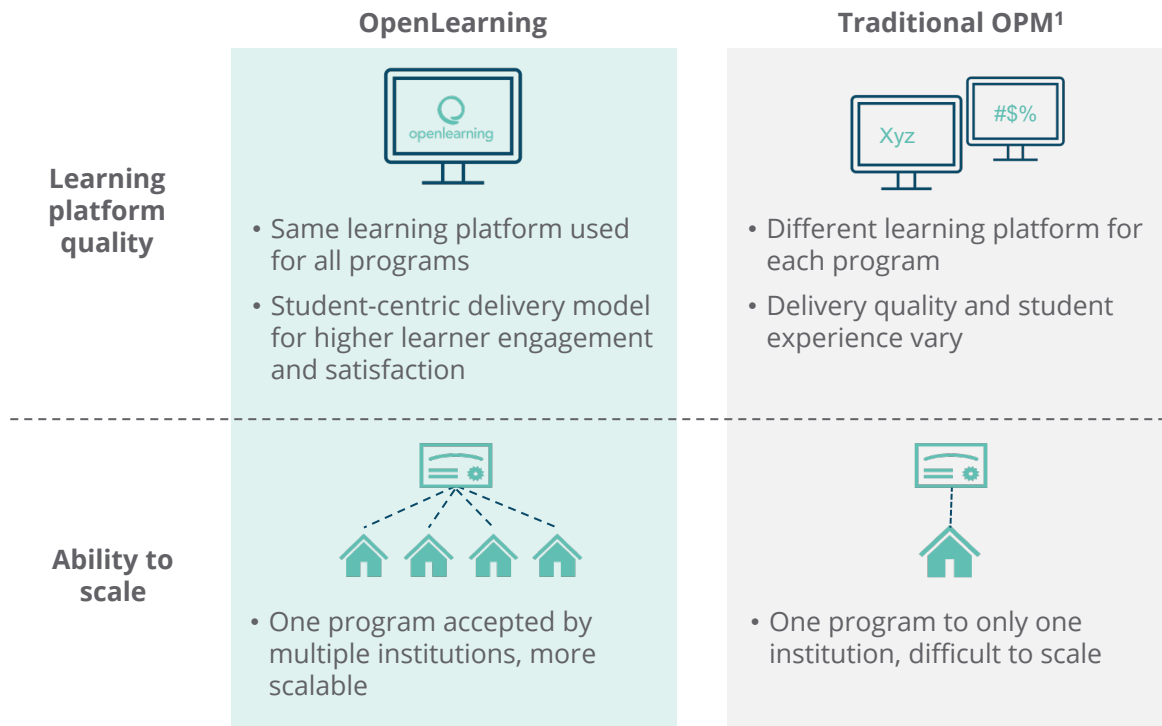
1. Annualised recurring SaaS revenue, calculated by utilising the generally accepted industry standard, which involves multiplying the monthly accrued SaaS revenue in the month at the end of the quarter by 12 (months). The ARR calculation does not take into account the future expiry of the term of any contract under which SaaS revenue is generated or any customers lost during the relevant month. SaaS ARR includes platform subscriptions from both the OpenLearning Platform and BEST Network.

A new growth engine from Program Delivery

Overview

- Partnerships with top institutions to deliver programs on its platform.
- Capabilities across full spectrum of program delivery, including learning design, technology, learning platform, teaching, online facilitation, support and assessment.
- Demonstrated by UNSW TPO
- CS101 currently under development

A different approach to Online Program Delivery (OPM)



1. OPM stands for Online Program Management, OPM providers work with education institutions to take their academic programs online.

Strong momentum from UNSW TPO

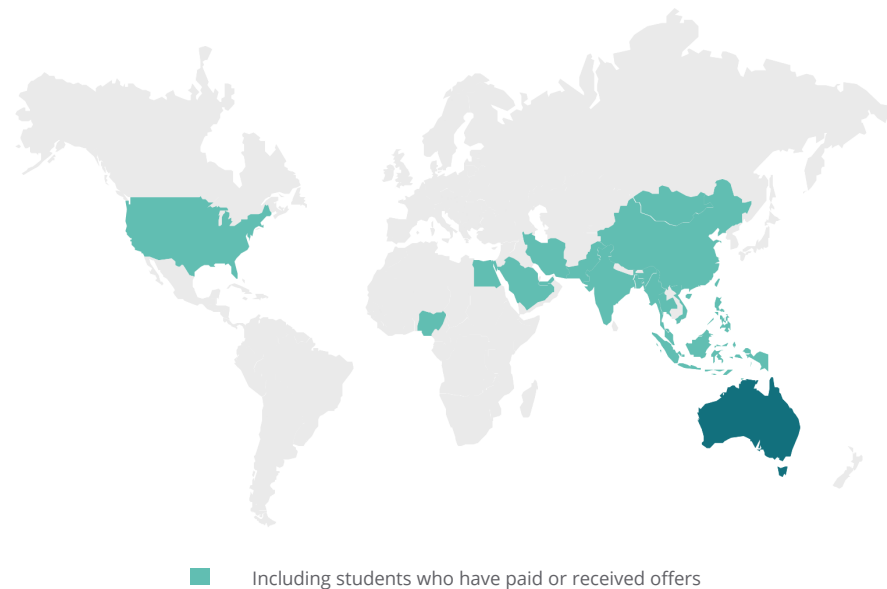
Significant revenue uplift in Q2

- Successfully completed the 1st intake of UNSW TPO, resulting in the Program Delivery revenue increasing to \$0.368m in Q2 from \$0.04m in prior quarter, with majority of the revenue accrued in Q2
- August intake (2nd intake) has already exceeded that in March. Early interest seen in Sept. and Nov. intakes

Further scalability

- ~25K¹ international students in Australian university pathway programs before Covid, while continuous border closures potentially impact the attractiveness of Australian universities in short-term
- Discussions underway with four overseas universities to accept students who complete the TPO into their universities, diversifying destination country risk and creating greater scalability

Attracting international students across the globe



1. 2019 international students in Australia enrolling in undergraduate diploma as a proxy for university pathway courses, <https://internationaleducation.gov.au/research/international-student-data/Pages/default.aspx>

Exciting new program under development targeting fast-growing technology upskilling market

- CS101 (Computer Science 101) is under development and the first cohort starts on 18th October 2021
- Target the growing demand for technology skills among corporates and working professionals
- Comprises three courses, developed as OpenCreds and priced at \$1,500 course with introductory discounts
- Brings together OpenLearning's in-house expertise, industry experts and leading tech companies
- Once operating, revenue from CS101 will be categorised under Program Delivery
- For more information: <https://www.cs101.com/>



Australian tech workforce to grow 2x faster than other occupations, resulting in 809k tech workers by 2024, an increase of 113k from 2019.

Summary

- Key components of the Company's growth strategy are now in place, cementing its position as a leading lifelong learning platform in Australia and Southeast Asia.
- Focusing on the Platform Subscription and Program Delivery offerings.
- Step change in Platform revenue, with 162% YoY growth to \$0.721m in Q2 (75% QoQ).
- Continuous growth in Platform Subscription, reaching ARR of \$1.449m, 27% YoY growth.
- New SaaS agreements signed with Afterpay and the University of Wollongong in Q2.
 - TPO bolstered Program Delivery revenue. Three more intakes in FY21: August, September and November.
 - Late stage discussions with four overseas universities to accept students from the TPO before the end of 2021.
 - Exciting new program targeting technology up-skilling is under development, and will commence on 18 Oct 2021.
- Cash on hand of \$5.744m as at 30 June 2021.

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Q&A



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