



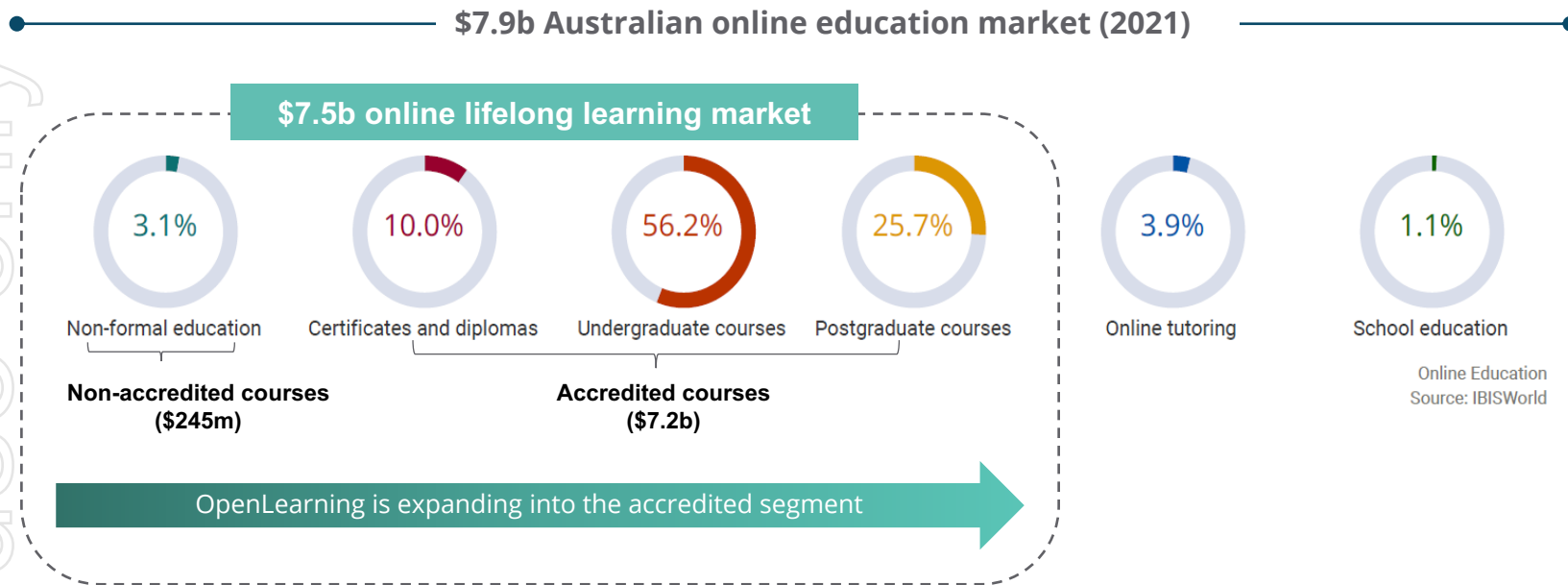
Half Year Results Presentation

OpenLearning Limited (ASX: OLL)

Half-year ending 30 June 2021

analyst use only

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

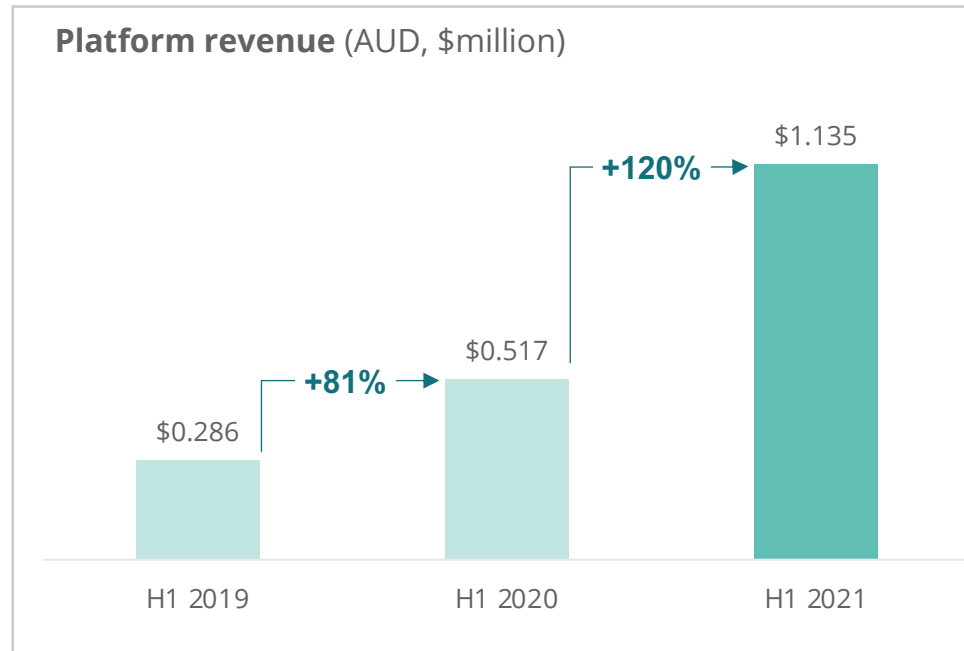
- Partnering with top institutions to deliver programs on the OpenLearning platform with capabilities across full spectrum of program delivery

Value-add services

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

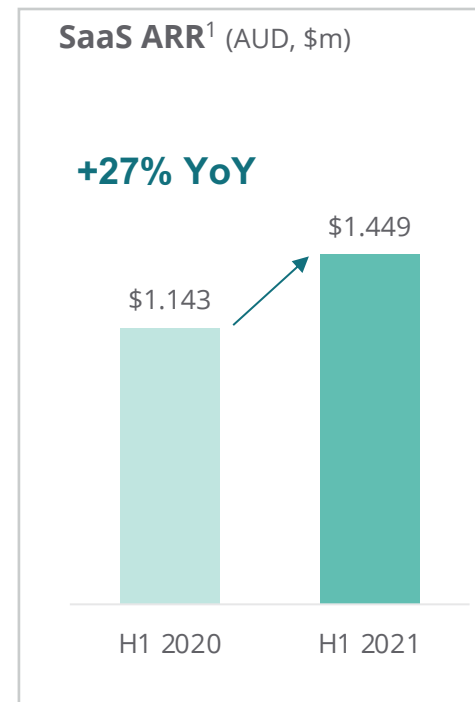
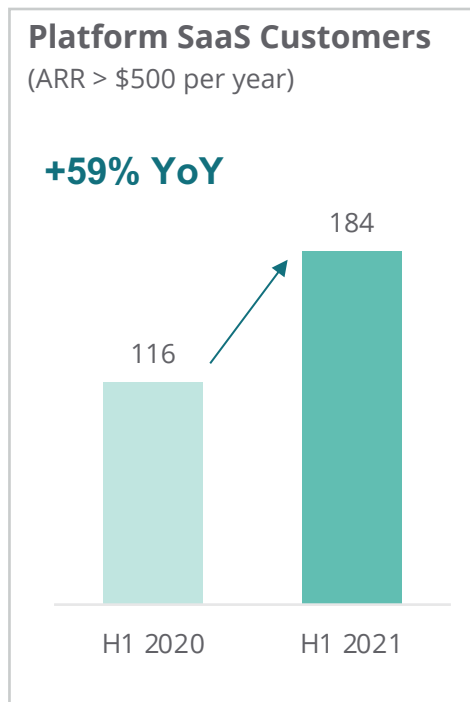
Accelerating growth in Platform Revenue

- Platform revenue increased by 120% YoY to \$1.135m
- Platform revenue is comprised of:
 - \$0.726m of Platform Subscription
 - \$0.409m of Program Delivery
- Strong underlying growth in Platform Subscription revenue of 40.5% YoY
- Program delivery segment began generating revenue with the successful commencement of UNSW Transition Program Online (TPO) in March 2021



Continued growth in Platform Subscription

- Continued strong YoY growth in Platform Subscription:
 - 59% increase in customers;
 - 27% increase in annualise recurring revenue (ARR)
- Retained key university clients and won new SaaS contracts with Afterpay, University of Wollongong, Australian Technology Network and others
- Introduced self-service sign-up, onboarding, payment and admin tools to speed up the sales cycle
- Investing in sales/marketing in existing core markets and expanding into Indonesia



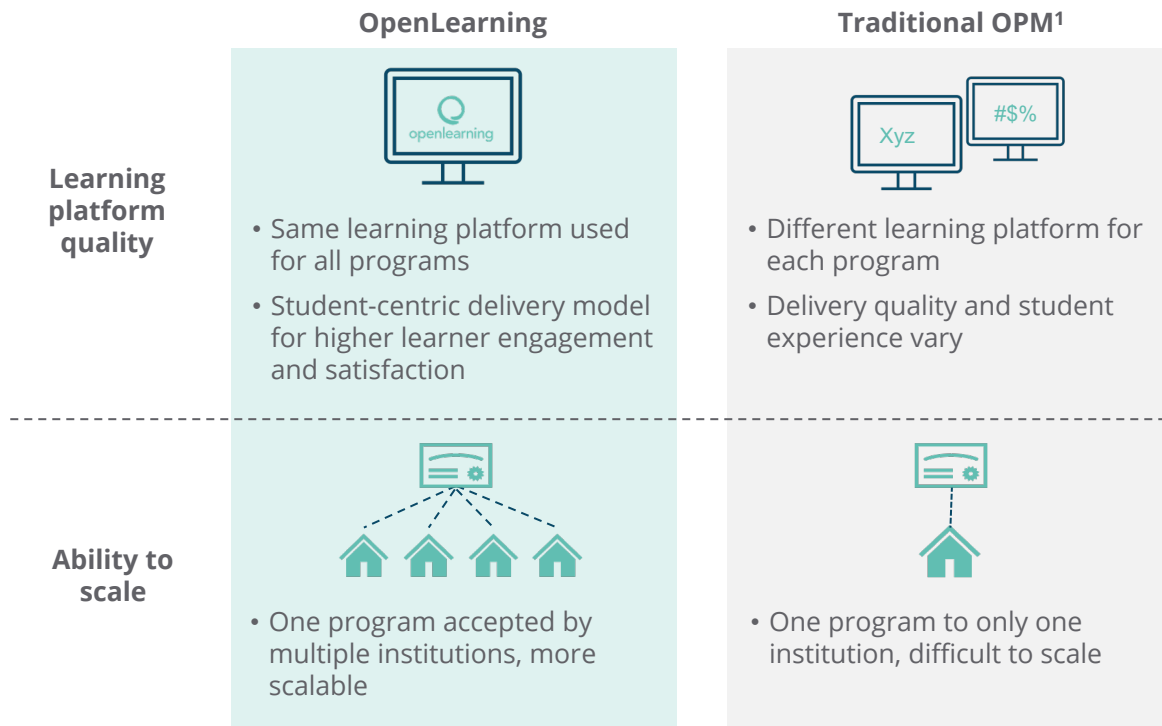
1. Annualised recurring SaaS revenue, calculated by utilising the generally accepted industry standard, which involves multiplying the monthly accrued SaaS revenue in the month at the end of the quarter by 12 (months). The ARR calculation does not take into account the future expiry of the term of any 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 recently launched, first intake in October 2021

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

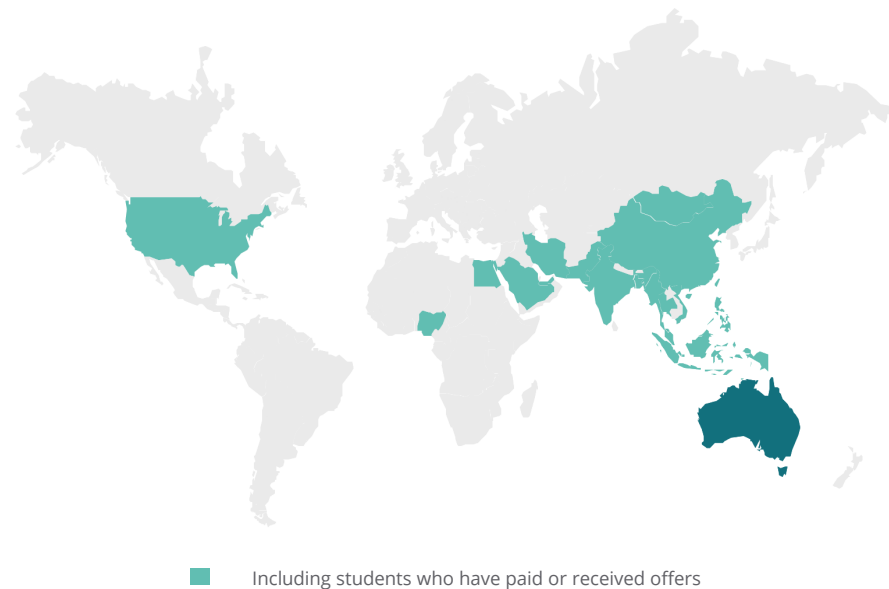
New program begins generating revenue

- Program Delivery segment began generating revenue in H1 FY21 with the completion of the 1st intake of UNSW TPO, resulting in \$0.409m of revenue
- August intake (2nd intake) has already exceeded that in March with two more intakes coming up in 2021 (Sept. and Nov.) and five intakes scheduled for 2022

Pathway to universities in 3 countries

- UNSW and five more universities from the U.K. and New Zealand have agreed to accept students who complete the TPO, diversifying destination country risk and creating greater 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

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.

Investing in platform, products and sales to accelerate revenue growth

- 30% YoY growth in net operating revenue as a result of strong platform subscription revenue and the new program delivery segment
- Investment in platform and products, including:
 1. UNSW Transition Program Online;
 2. OpenCreds, Australia's first cross-sector lifelong learning micro-credentialling framework;
 3. Biomedical Education Skills and Training (BEST) Network, tools for online medical education;
 4. OpenLearning self-service SaaS, which enables self-service payment, onboarding and administration.
- Expanding sales and marketing team to support go-to-market efforts in multiple geographies

(\$AUD)	H1 FY21	H1 FY20
Operating Revenue		
Platform subscription	726,095	516,700
Program delivery	408,985	0
Value-added services*	626,150	993,620
Gross Operating Revenue	1,761,230	1,510,320
Less: revenue shared to education providers	(447,391)	(503,002)
Net operating revenue	1,313,839	1,007,318
Operating Expenses		
Cloud hosting	(457,839)	(208,406)
Platform design & development	(857,398)	(571,240)
Program & service delivery	(892,550)	(531,212)
Sales & marketing	(877,454)	(682,464)
Corporate, General & admin	(987,944)	(794,950)
Total operating expenses	(4,073,185)	(2,788,272)
Operating EBITDA	(2,759,346)	(1,780,954)
Non-operating / Listing costs*	(310,874)	(366,517)
Depreciation & amortisation	(135,604)	(137,102)
Other income	154,031	53,932
Finance income	17,591	25,036
Finance costs	(3,032)	(10,985)
Loss for the period	(3,037,234)	(2,216,590)

*Value-added services revenue include learning services and marketplace. Non-operating/listing costs include board fee and all listing-related expenses

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 120% YoY growth to \$1.135m in H1 2021.
- Continuous growth in Platform Subscription, reaching ARR of \$1.449m, 27% YoY growth.
- New SaaS agreements signed with Afterpay and the University of Wollongong.
- New Program Delivery segment began generating revenue in H1 FY21 with the commencement of the TPO.
- In August, five more universities in the U.K. and New Zealand announced they will accept students from the TPO.
- 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.

mal use only

Q&A



Disclaimer

This presentation has been prepared by OpenLearning Limited (**The Company**). It does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. You should not treat the contents of this presentation, or any information provided in connection with it, as financial product advice or advice relating to legal, taxation or investment matters.

This presentation and the information contained herein and all electronic and/or hard copy documentation which comprise it are being provided to you solely for your information and may not be copied, reproduced, distributed, disclosed or published, in whole or in part, to any other person for any purpose whatsoever at any time without the prior written consent of the Company. This presentation is not an offer to any person nor is it a prospectus.

The Company has prepared this document based on information available to it at the time of preparation. No representation or warranty (whether express or implied) is made by the Company or any of their officers, advisers, agents or employees as to the accuracy, completeness or reasonableness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or provided in connection with it, or any omission from this presentation, nor as to the attainability of any estimates, forecast or projections set out in this presentation.

This presentation is not investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. The information contained in this presentation has been prepared without taking into account the objectives, financial situation or needs of individuals.

This presentation is provided expressly on the basis that you will carry out your own independent inquiries into the matters contained in the presentation and make your own independent decisions about the affairs, financial position or prospects of the Company. The Company reserves the right to update, amend or supplement the information at any time in their absolute discretion (without incurring any obligation to do so).

The Company, nor their related bodies corporate, officers, their advisers, agents and employees accept any responsibility or liability to you or to any other person or entity arising out of this presentation including pursuant to the general law (whether for negligence, under statute or otherwise), or under the Australian Securities and Investments Commission Act 2001, Corporations Act 2001 (Cth), competition and any such responsibility or liability is, to the maximum extent permitted by law, expressly disclaimed and excluded.

Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in the Company.

This presentation contains reference to certain intentions, expectations, future plans, strategy and prospects of the Company.

Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of the Company may be influenced by a number of factors, many of which are outside the control of the Company. No representation or warranty, express or implied, is made by the Company, or any of their directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved.

Given the risks and uncertainties that may cause the Company actual future results, performance or achievements to be materially different from those expected, planned or intended, recipient's should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. The Company does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended.

This document does not constitute any part of any offer to sell, or the solicitation of any offer to buy, any securities in the United States or to, or for the account or benefit of any "US person" as defined in Regulation S under the US Securities Act of 1993 (Securities Act). The Company shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration including any exemption for qualified institutional buyers.

Internal use only



openlearning

<https://solutions.openlearning.com/>

investors@openlearning.com

Authorised by: Adam Brimo, Group CEO & Managing Director