

AI-POWERED SaaS PLATFORM FOR LIFELONG LEARNING

24th April 2023 Market Update

Quarter ending 31st March 2023 (Q1 2023)



openlearning

Internal use only

LEVERAGING VOLUME & SCALE IN EDUCATION

Q1 2023 HIGHLIGHTS

\$1.79m ↑

Annualised Recurring SaaS Revenue¹

\$7,948 ↑

Average SaaS ARR Per customer

225



SaaS Customers

3.4m



Users

Q1 2023 REVIEW

SaaS ARR **increased 19%** YoY to \$1.79m

Average SaaS ARR per customer **increased 36%** to \$7,948

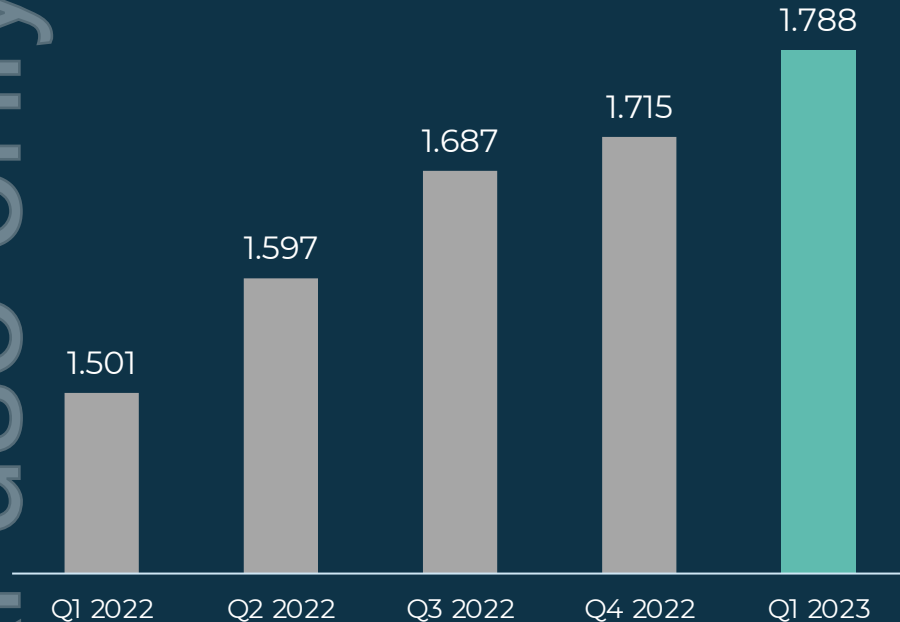
Net operating cash outflows were **reduced by 59%** to \$0.59m reflecting positive outcomes of cost reduction exercise

Annualised recurring SaaS revenue is a key metric for OLL. In Q1 2023 the Company recorded 19% YoY growth in platform SaaS ARR while strongly improving the average revenue per customer and decreasing expenses. We begin to see the results of leveraging technology at scale.

¹. ARR is calculated as monthly subscription revenue in the final month of the quarter multiplied by 12.

SaaS ARR GROWS STRONGLY

SaaS ARR (AUD, \$million)



SaaS ARR grew strongly 19% YoY to reach \$1.788m in Q1 2023

CAGR 19% since Q1 2020

Average revenue per customer increased strongly to \$7,948.

Usage based pricing model resulted in price increases for smaller SaaS customers leading a slight decline to 225 SaaS customers. This was offset by higher value subscriptions from larger customers

GLOBAL EXPANSION

Entry to the burgeoning Indian
Education Market is underway



GLOBAL EXPANSION

MALAYSIA

\$0.483m Q1 2023 SaaS ARR

88 SaaS customers

20% of universities in Malaysia use OpenLearning's Platform for delivering online education

INDIA

Distribution and SaaS Reseller Agreement has been signed with Education Centre Australia (ECA) to launch OpenLearning India

OLL's SaaS Platform and a marketplace of short courses, micro-credentials, and online degrees are now available to the Indian market.

OLL to receive 50% SaaS platform subscription revenues and 5% of gross marketplace enrolment fees.

OpenLearning works with more than 100 institutions in Southeast Asia with the largest presence in Malaysia. The Company is entering India, Sri Lanka, Nepal and Pakistan in partnership with ECA

Internal use only

INDIA FOCUS

India has one of the world's largest higher education sectors with 1,043 universities, 42,343 colleges, and 11,779 stand-alone institutions.¹

College-age population, projected to reach 126 million by 2026.

The government aims to increase India's higher education enrolment ratio from 27% to 50% by 2030. Capacity constraints mean that e-learning will be central to this aim.

Initial plans with ECA focus on a region including India, Sri Lanka, Nepal and Pakistan with ECA to bear the costs of sales, marketing and distribution and OpenLearning to operate the SaaS platform.

¹ https://www.education.gov.in/sites/upload_files/mhrd/files/statistics-new/aishe_eng.pdf



A woman with dark, curly hair, wearing a red sweater, is looking intently at a laptop screen. She has her hand resting on her chin, suggesting deep thought or concentration. The background is a blurred office environment with a window and some office equipment.

AI A paradigm Shift

Generative AI tools will be integrated into the OpenLearning Platform. AI is a Game Changer for Education Providers

AI use only

A blurred photograph of three students walking through a brightly lit hallway. The students are carrying backpacks and holding papers or laptops. The image is out of focus, emphasizing movement and a busy educational environment. The text 'OpenLearn' is overlaid vertically on the left side of the image.

AI A GAME CHANGER

The Company is on track to launch its first suite of AI-powered features within its Platform in Q2 2023

The Platform leverages Microsoft Azure's OpenAI GPT API

AI is a paradigm shift for education providers that utilise OpenLearning. Once fully developed, it will dramatically improve speed and efficiencies in:

- Course authoring
- Learning design process and planning
- Assessment marking and feedback
- Portfolio-based assessment
- Online facilitation

ai use only



CASH FLOW

IMPROVED NET OPERATING CASH OUTFLOWS

Growth in Annual Plan Subscriptions

In Q1 FY23, cash receipts from customers totalled \$1.077 million. While total cash receipts fell 21% YoY, cash receipts from the Platform SaaS business grew by 39% YoY, driven by more customers subscribing to annual plans and solid annual renewals.

Net Cash Outflows Decline

The Company successfully reduced net operating cash outflows by 59% to \$0.593m in Q1 FY23 from \$1.448m in Q1 FY22, reflecting the positive outcomes of cost optimisation efforts in FY22 and increased SaaS cash receipts.

Business restructures to focus on Platform SaaS

The Company's core focus is to grow platform SaaS revenue. Cash receipts by segment for the quarter were:

- Platform SaaS - \$0.783 million (up 39% YoY)
- Program Delivery - \$0.064 million (down 85% YoY)
- Marketplace - \$0.198 million (down 14% YoY)
- Services - \$0.031 million (down 75% YoY)

The Company expects cash outflows in Q2 FY23 to be higher than Q1 FY23 as a result of restructuring costs for the learning services division and circa \$0.1 million in cloud hosting costs for invoices that were received post-quarter end. At the same time, operating expenses and cost of goods sold were lower than Q1 FY22. The Company's cash on hand as of 31 March 2023 was \$1.437 million.



Authorised by:

Adam Brimo
Managing Director & CEO

Investor Relations

Matthew Reede
Dominion Partners
Matt@dominion.partners

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.