

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

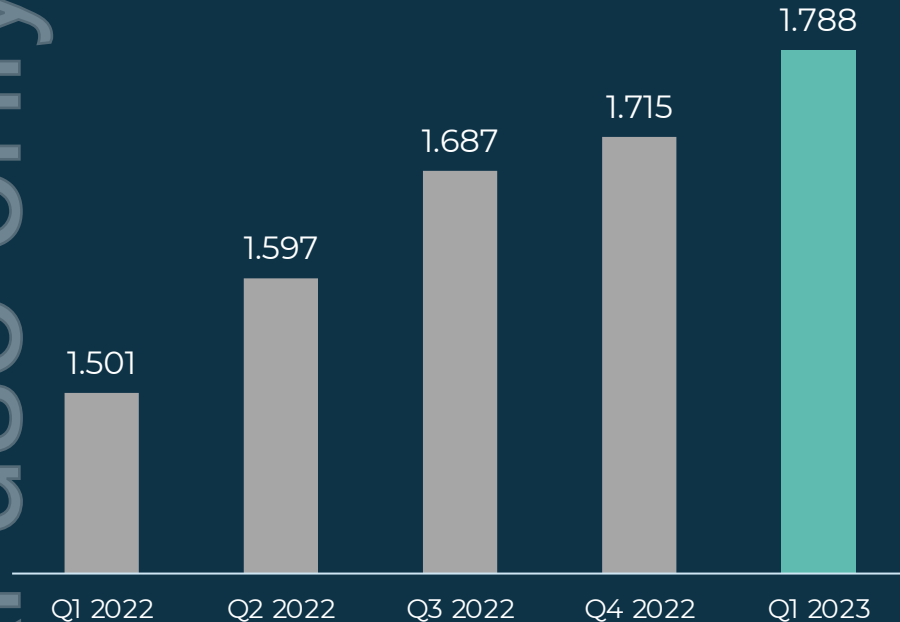
Net operating cash outflows were **reduced by 59%** to \$0.59m reflecting positive outcomes of cost reduction exercise

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

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 is sitting at a desk in a modern office environment. The background is slightly blurred, showing office furniture and a window. The overall tone is professional and focused.

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 visible as a watermark 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.



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