

ASX Announcement | 31 May 2023

AGM Presentation

Sydney, Australia, 31 May 2023: Global lifelong learning platform **OpenLearning Limited** ('the Company') (ASX: OLL) provides the 2023 AGM Presentation for the Annual General Meeting to be held at 2pm AEST today, as required by ASX Listing Rule 3.13.3.

Ends.

Authorised by:

Adam Brimo
Group CEO & Managing Director

Stay up to date with OpenLearning news as it happens:

Visit the Investor section of the OpenLearning website at: <https://solutions.openlearning.com/investor-home/>. There you can download the Company's Prospectus and see recent ASX Announcements and press coverage.

In addition to signing up for OpenLearning news directly from the Company, we also encourage shareholders to register to receive electronic communications from our share registry, Automic. To sign up for e-communications from Automic, please visit <https://www.automicgroup.com.au/>.

Thanks for your ongoing support. We look forward to sharing OpenLearning news with you.

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About OpenLearning

OpenLearning Limited is a higher education technology company that provides a scalable online learning platform to education providers and a global marketplace of world-class courses for learners of all levels.

OpenLearning's platform enables the delivery of project-based, social learning to encourage interaction among users and foster a community of collaborative learners. The Company's unique service provides a complete learning environment for all types of online education - from short courses through to micro-credentials and online degrees.

With more than 3 million learners worldwide across over thousands of courses provided by over 250 education providers, OpenLearning is at the forefront of a new wave of online education delivery.

To learn more, please visit: <https://solutions.openlearning.com/>

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AI-POWERED SAAS PLATFORM FOR LIFELONG LEARNING



OpenLearning Limited (ASX:OLL)
Annual General Meeting
31st May 2023

only
use
only

Your Board of Directors



Spiro Pappas

Non-Executive Chairman

Spiro is the former executive GM 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. Spiro is currently the Chairman of Atlas Iron and OpenInvest. He is also a NED of DataMesh Group, Cognian Technologies, BrewAI and Football Australia.



Adam Brimo

Managing Director & Group CEO

Adam started his career at Macquarie Group and Westpac Institution Bank before founding OpenLearning with fellow UNSW computer science and engineering graduate 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.



John Merakovsky

Independent Director

John is veteran of the technology industry, served as the former CEO of Flybuys, and the former CEO of ASX-listed Integrated Research Ltd. Prior to that, he was the GM of Seek Learning. John started his career in EdTech sector as the founder and CEO of a leading provider of enterprise learning solutions that was acquired by Talent2.



Rupesh Singh

Non-Executive Director

Rupesh is the founder and CEO of Education Centre of Australia (ECA). ECA is one of Australia's largest diversified, multiple-sector education groups that partners with universities from Australia, UK and India, offering end-to-end services to 7,000 students per year from academic delivery to employment opportunities.

Chair's Address

Spiro Pappas

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An immersive introduction to what it really means to be a net-zero business

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FY22 Review

Focus on Platform SaaS business

In FY22 we restructured our sales teams and centralised our operations offshore to focus on platform SaaS

Focused on growing annual recurring revenue from major institutions

The profile of the Group's revenue is now stronger and more reliable

Cost Optimisation Program Completed

FY22 cost optimisation was significant and yielded annualised savings of circa \$3.3 million¹, one third of business expenses

Early signs are that SaaS revenues continue to grow under a lower cost base as we leverage our technology

Capital Management

Education Centre of Australia (ECA) took a significant stake in the business

This consolidated our share register and will enable us to expand into India with a trusted partner

Note: 1. Based on the annualised difference between Q4 2021 and Q4 2022 actual operating expenses and cost of sales associated with platform subscription. All cost optimisation initiatives completed in Q3 2022, cost saving benefits was only partially reflected in FY22 financials.

FY23 Recent Developments

Platform SaaS Revenue Continues to Grow

Our platform SaaS revenue **growth rate has accelerated to 19%** in Q1 FY23 while the group's cost base continues to fall as a result of ongoing cost controls

Significant Customer Interest in AI

Release of the AI Assistant pilot generated significant customer interest with **over 1,000 registrants at the recent demo webinar**

Large universities are already piloting the features

Multiple further releases are planned for this year

International Expansion into India

Agreement with ECA to launch OpenLearning India

Sales and marketing efforts are underway and the **course marketplace is live**



CEO's Address

Adam Brimo

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AI-Powered SaaS Platform for Lifelong Learning



10,000+
Courses



165
Countries



100+ million
Peer interactions



5+ million
Enrolments



3.4 million
Learners



225
Active education
providers*

Note: Stats as of March 2023.

*The number of paying customers who subscribe to the platform

2012

Founded in **Sydney, Australia**

2019

Listed on Australian Stock Exchange (**ASX:OLL**)

2020

Launched **OpenCreds Micro-credential Framework** in Australia and Malaysia

2021

Launched the UNSW Transition Program Online for students to gain entry into 10 universities

2022

Strategic investment from ECA, completion of cost optimisation and strategic review

2023

Expansion into India in partnership with ECA and the launch of **OpenLearning's AI Assistant**

FY22 Financial Highlights

\$1.72m ▲ 16%

Dec FY22 Platform SaaS ARR

\$3.17m ▼ 10%

Group Revenue

(\$5.6m) ▼ 16%

FY22 Net Loss

245 ▲ 20%

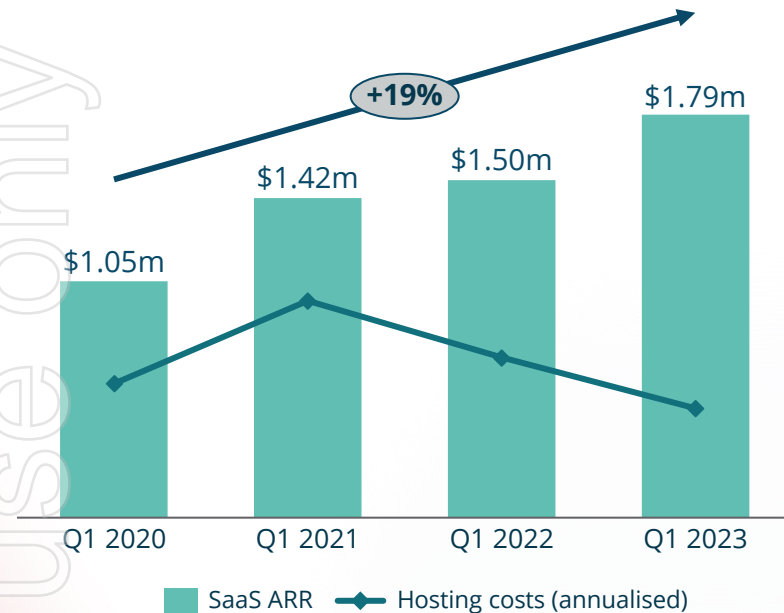
FY22 SaaS Customers

(\$8.5m) ▼ 16%

FY22 Total Operating Costs

- Cost optimisation is only partially reflected in FY22. It includes a 37% decrease in cloud hosting costs
- Decrease in group revenue in part as a consequence of focusing on Platform SaaS
- Revenues derived from the UNSW Transition Program Online (TPO) declined 36% due to lower international student numbers
- Restructured TPO, resulting in reduced delivery costs and reduce break-even point by c.40% from FY23 onwards

Leveraging technology at scale



Key metrics summary

- SaaS ARR grew strongly at 19% YoY to reach \$1.79m in Q1 2023
- CAGR of 19% since Q1 2020
- Average revenue per customer increased strongly to \$7,948 in Q1 FY23, 36% growth from Q1 FY22
- Hosting costs reduced 50% since 2021

✦ Focusing on platform SaaS has led to robust ARR growth even amid cost reductions, demonstrating our ability to leverage technology at scale.

1. ARR (annualised recurring revenue) is calculated based on multiplying the December monthly accrued SaaS revenue by 12. The ARR calculation does not take into account the future expiry of the term of any contract under which SaaS revenue is generated by any customers lost during the relevant month.

Our flywheel: AI-powered lifelong learning platform that closes the loop between education and employability

Talent Search to connect learners with career opportunities at scale

Skills demand / future of work insights (enable learning, upskilling rediscovery)

Measurable learning outcomes and authentic assessment

Portfolio of skills, evidence, competencies and digital credentials to combat usage of generative AI by learners



Socially constructive learning experiences, community of practice and project-based activities

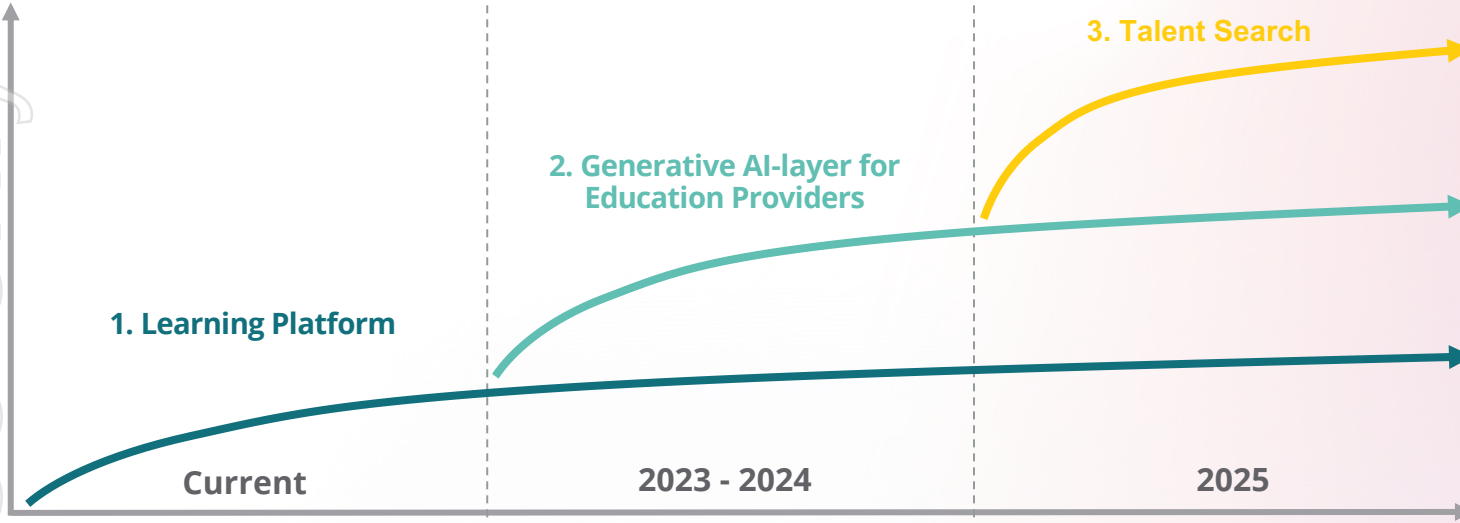
AI-powered course authoring environment and delivery tools that improve efficiency and outcomes

A large number of quality courses for learning and upskilling

Learning pathways to enable skills transformation in people at scale

Delivering through three phases

Value



1. Learning Platform

Current

2. Generative AI-layer for Education Providers

2023 - 2024

3. Talent Search

2025

Grow B2B Platform SaaS business in existing markets and expand to new markets through reseller distribution partnerships

Integrated generative AI-layer within the platform to drastically accelerate content authoring, learning design and facilitation

Enable employers to search for candidates using AI that leverages the platform's skills data and learner profiles

AI is a Game Changer for EdTech

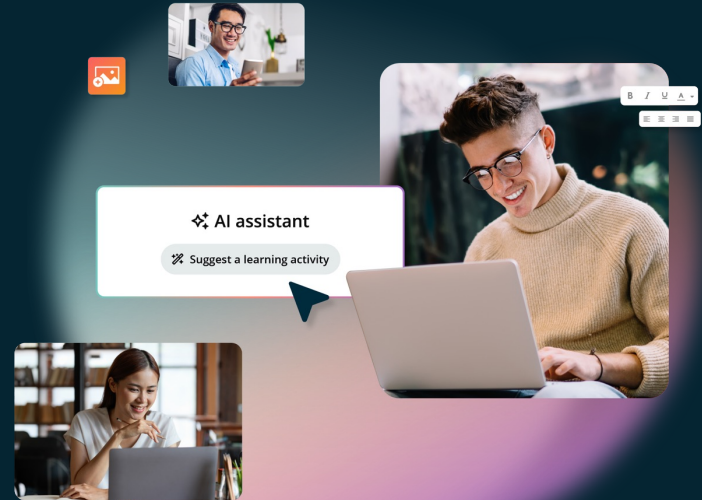
We've launched AI Powered tools to address one of biggest challenges faced by education providers – content authoring

- Short courses may take 1-2 weeks to develop
- University length course may take up to 2 months to develop
- Course development costs are between \$5,000 to \$30,000

OpenLearning's AI-powered course creation tools are a paradigm shift for educators and learning designers, significantly reducing course creation and development times

Strong interest from customers

- Recent **webinar demonstration attracted >1,000 registrations** with a surge in sales enquiries
- Pilot program now extended to 14 customers due to high demand



Embedded Generative AI delivers superior results

Domain/Industry knowledge

Consumer Generative AI Tools

- General purpose consumer tools
- Prompt engineering required for quality output

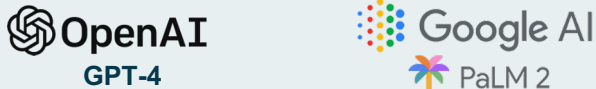
Data ownership, privacy and security

- Varies, data often used for model training

Limitations on usage and availability

- Often have low limits for prompts and output

Examples



Foundational Large Language Models

Embedded Generative AI in Platforms

- Domain-specific fine-tuning of prompts and models
- Ability to reason about platform features

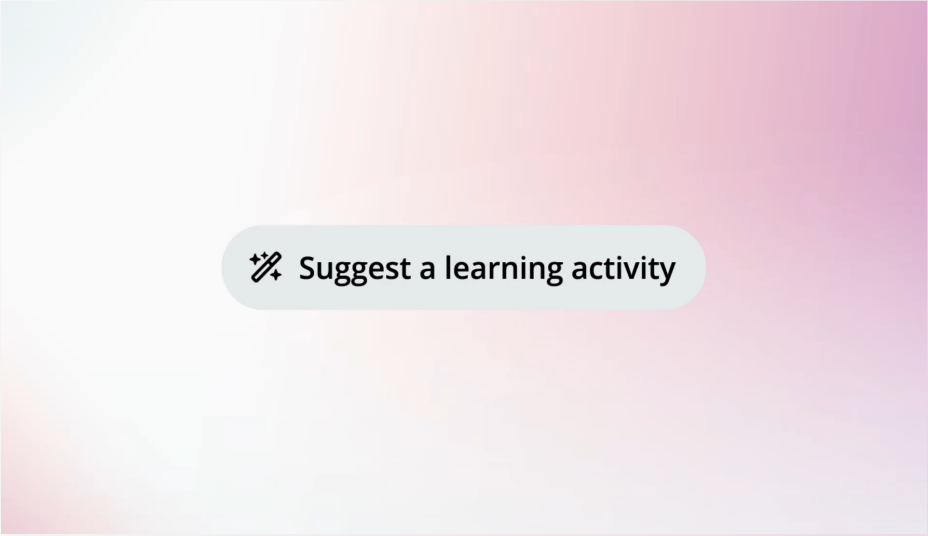
- Data remains private, audit trail available
- Clear policies on data ownership


- Relatively higher limits based on underlying generative AI technology



At the forefront of embedding Generative AI; transforming the economics of education

- Launched OpenLearning's AI Assistant, the first of many AI enhancements to the Platform for education providers
- Humans are always the decision makers, deciding on which actions to take and approving AI suggestions
- Powered by GPT-4 from Microsoft Azure's OpenAI Service, these tools will generate course content and learning activities in line with OpenLearning's educational philosophy and best practices
- AI Assistant provides tailored suggestions to educators, helping them to create more engaging and effective learning experiences in a fraction of the time



 Suggest a learning activity

We believe that Generative AI can increase the quality of education and improve productivity for education providers

Generative AI: First to market & moving fast

We are developing a complete suite of embedded Generative AI tools for educators

AI version release pipeline plan FY23-24

Activity creation following best-practices with learning design templates

BETA

Content generation for various content types

ALPHA

Module structure and activity scaffolding suggestions

Q3 2023

Course structure, curriculum and learning outcomes ideas

Q4 2023
-Q1 2024

Marking rubric design and assessment suggestions

FY24

Suggestions for learner feedback based on their posts and context

FY24

India: A massive market for online education

India has one of the world's largest higher education sectors: 1,043 universities, 42,343 colleges, and 11,779 stand-alone institutions¹

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

The government aims to increase India's higher education enrolment ratio from 27%² to 50% by 2030³

Capacity constraints mean that online learning will be central to this aim

1. https://www.education.gov.in/sites/upload_files/mhrd/files/statistics-new/aishe_eng.pdf. 2. Enrolment ratio measures total enrolment in HE as a % of the eligible college-age population. 3. "India Economics Strategy to 2035 – Navigating From Potential to Delivery", Australia Department of Foreign Affairs



Entry to the Indian market in progress

Launched OpenLearning India with ECA partnership

OLL's SaaS Platform and a marketplace of short courses, micro-credentials, and online degrees are now available to the India and sub-continent

ECA drives sales, marketing and distribution of the SaaS Platform and OpenLearning operates and provides technology support

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

A dedicated salesforce in India is being established by ECA, leveraging existing relationships with Indian institutions. Sales meetings with large Indian institutions have taken place and are in progress



FY23-24 strategic priorities to accelerate the pace to break-even



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Q & A

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