



# AI-POWERED SAAS PLATFORM FOR LIFELONG LEARNING

Market Update Q2 2023

31<sup>st</sup> July 2023



only  
use  
only

# Average Customer Value Drives Platform Revenue Growth

## Q2 2023 Highlights

**\$1.84m** ▲ 15%

Jun FY23 Platform SaaS ARR

**\$8,178** ▲ 25%

ARR per customer

**225** —

SaaS customers

**3.5m** ▲

Users

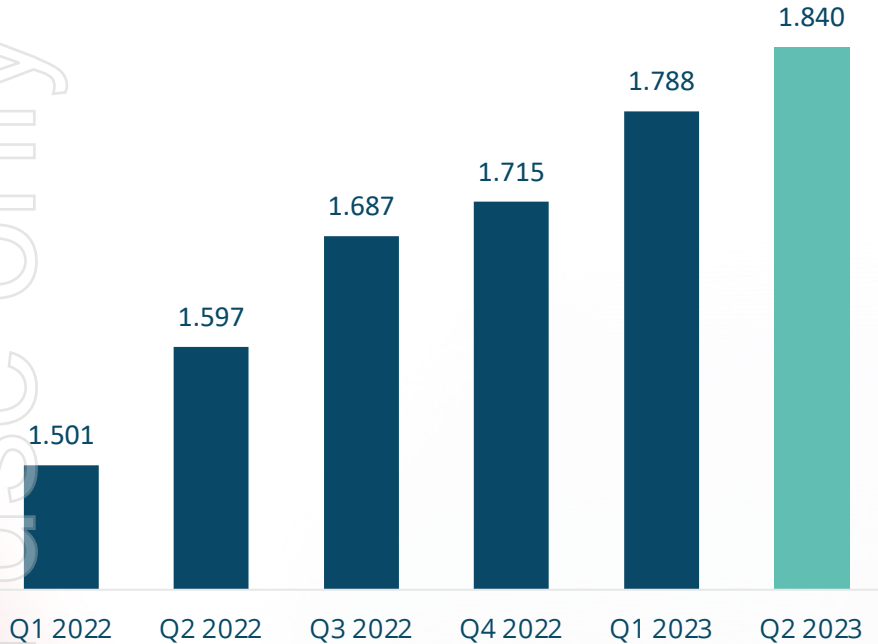
- Platform SaaS ARR grew 15% YoY with average annual customer value increasing 25% YoY as existing customers upgraded their subscriptions and new high value customers replaced smaller customers
- The platform maintained overall subscriptions at 225 customers with this profile of higher value customers
- Net operating cash outflows fell by 30% PCP, a result of cost optimization exercise

The company continues to build its business model to drive platform SaaS revenues by both expanding total customer numbers and growing the average value of each customer

The AI Assistant upgrade has the potential to improve both of these strategic drivers as existing customers buy credits and new customers take up fresh subscriptions to gain access to these new AI features

# SaaS ARR Continues Reliable Quarterly Growth

SaaS ARR (AUD \$million)



- SaaS ARR continued its reliable quarterly growth, increasing to \$1.84m at the end of Q2
- The strategy to **grow both customer numbers and average customer value** continues to show positive results
- AI will assist this plan further as existing customers purchase credits and new customers subscribe to the platform to access the new AI tools
- Overseas market expansion is the next foundation, driving new customer subscriptions in India being the next focus market

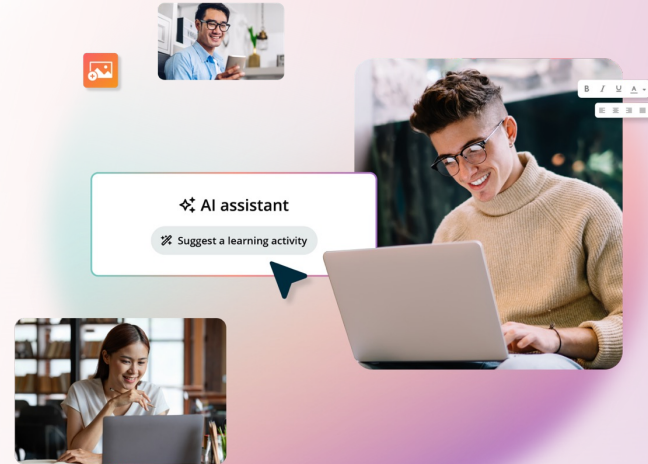
# AI Assistant to Drive New Credit Based Revenue Stream

## Customer Rollout Completed

- 225 customers now have access to the AI Assistant
- 12 types of different content types can be generated
- 15 types of learning activities available can be generated
- 1,800 webinar registrations in Q2 leading to a significant increase in sales enquiries.

## Driving Revenue Growth

- The AI Assistant is now available to all customers on a 'credit system' that drives additional revenue as subscribers use the AI tools within the platform
- **Already started selling AI credits to its customer-base as a new revenue stream**
- A pipeline of feature upgrades in upcoming quarters will make the AI Assistant tools even more attractive



# Sales Operations Commenced in India

Known as **OpenLearning Bharat**, sales are underway in collaboration with our partner ECA across India

Sales operations are **initially focused on New Delhi and Hyderabad** with 2 large events being staged in July attracting hundreds of senior executives from Indian universities and colleges

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

India's enrolment ratio of 27% lags behind its peers and the government aims to increase this ratio to 50% by 2030 with online education to play a big part of this plan<sup>2</sup>

1. [https://www.education.gov.in/sites/upload\\_files/mhrd/files/statistics-new/aishe\\_eng.pdf](https://www.education.gov.in/sites/upload_files/mhrd/files/statistics-new/aishe_eng.pdf)

2. Higher education enrolment ratio measures total enrolment in higher education as a percentage of the eligible school-age population



# Net Cash Outflows and Funding

## Net Cash Outflows

**\$1.10m** ▼ 30%

Net cash outflows

**\$0.1m**

One-off restructuring costs

- Net cash outflows decreased to \$1.10m in Q2, 2023 which represented a 30% improvement against net cash outflows of \$1.584m in Q2, 2022
- As flagged in the Q1 report one-off costs to restructure the learning services division of \$0.1m were incurred in Q2

## Funding

**\$1.31m**

Cash on hand

**\$1.80m**

Debt facility available

- Secured a \$3m loan facility from ECA in Q2 2023
- During the quarter \$1.2m was drawn down from that facility. A further \$1.8m remains available to the business
- Total cash on hand and available funding at the end of Q2, 2023 was \$3.1m



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