openlearning

AI-POWERED SAAS PLATFORM FOR LIFELONG LEARNING

Market Update
Q1 2024

29th April 2024

High Growth from a Significantly Lower Cost Base

Q1 Financial Highlights

$2.12m ▲ 18%

Platform SaaS ARR

$9,287 ▲ 17%

Average ARR per customer

228 ▬

SaaS customers

3.6m ▬

Total Users

- Platform SaaS growth accelerates to 18% and exceeds $2m.

- Average ARR per customer continues to climb to $9,287 per customer as Gen-AI features enhance platform usage.

- Cash receipts from customers grew 14% YoY

- Net operating cash outflows decreased 28% YoY.
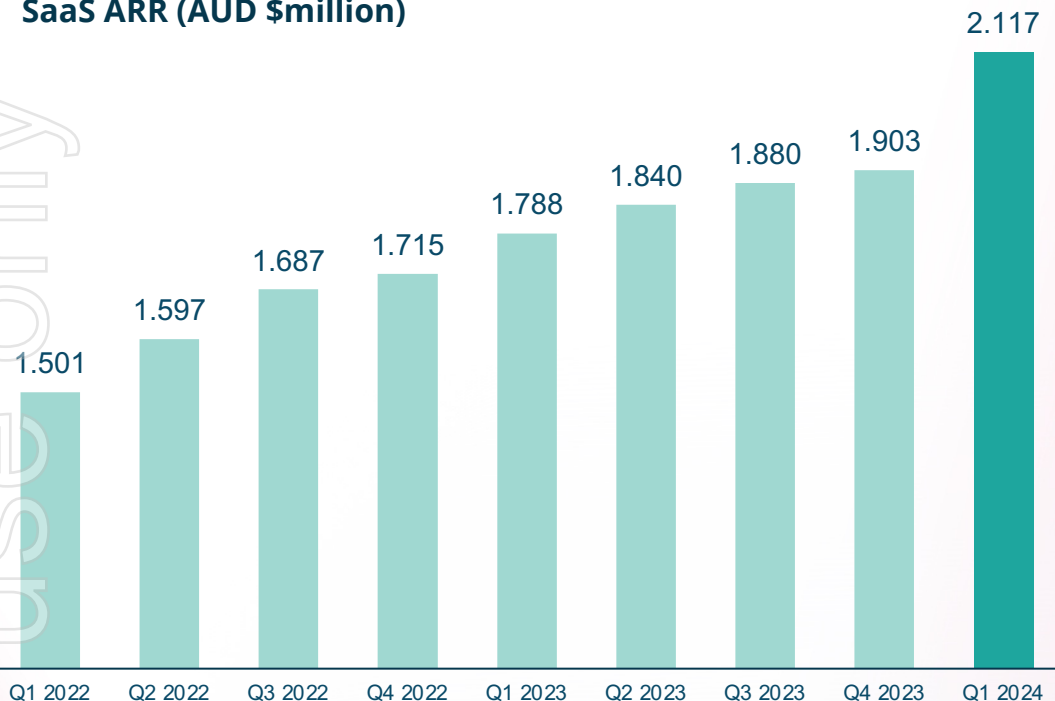
Q1 Operating Highlights

Gujarat University signs an agreement to trial the OpenLearning Platform across 9 courses aligned to National Education Policy and involving up to 60,000 students.

Completed the **acquisition of 3 online education marketplaces**, expanding OpenLearning's student acquisition capabilities for education providers.

Signed a platform SaaS and content license agreement with the **Asia Pacific International College** for $1m over a three-year term.

10 Consecutive Quarters of SaaS ARR Growth

SaaS ARR (AUD $million)

Chart data (Q1 2022 – Q1 2024):

Quarter	SaaS ARR (AUD $million)
Q1 2022	1.501
Q2 2022	1.597
Q3 2022	1.687
Q4 2022	1.715
Q1 2023	1.788
Q2 2023	1.840
Q3 2023	1.880
Q4 2023	1.903
Q1 2024	2.117

- The business again demonstrates its ability to deliver consistent high subscription growth from its core learning platform.

- SaaS ARR exceeds $2m for the 1st time.

- **Growth accelerates to 18% YoY**.

- AI adoption rates have been high with 75% of customers now utilising the AI Assistant.

- **Revenues continue to rise as costs fall and break-even approaches**

Growth Initiatives

Market Expansion in India

Gujarat University will utilise OpenLearning's platform to deliver at least 9 compulsory short courses aligned to the National Education Policy for up to 60,000 students as they complete their normal studies.

This is our first deal with a major Indian institution. Gujarat University is the largest and oldest university in the Indian state of Gujarat with more than 200,000 students studying across 235 colleges.

Vertical Expansion to Student Acquisition

Acquisition of three higher education marketplaces was completed this quarter. Annually, the marketplaces attract over 800,000 users and list over 15,000 courses and degrees from 70 institutions.

The websites for the marketplaces are:
- PostGradAustralia.com.au
- TheUniGuide.com.au
- StudyNewZealand.nz

Growth Initiatives

Growth in Platform SaaS and Content Licensing

Australian Pacific International College signs a $1 million platform and content license agreement for Artificial Intelligence units in their Master of Information Technology over a three-year term.

The Company is exploring more opportunities for content licensing in AI.

Adoption of AI

To date over 75% of customers have actively engaged with the AI Assistant and Course Builder. This is expected to foster increased utilisation and drive higher SaaS subscription revenue.

In January, the Company rolled out its most significant AI-feature, **Course Builder** that can generate an entire course and all its content based on the educator's inputs.
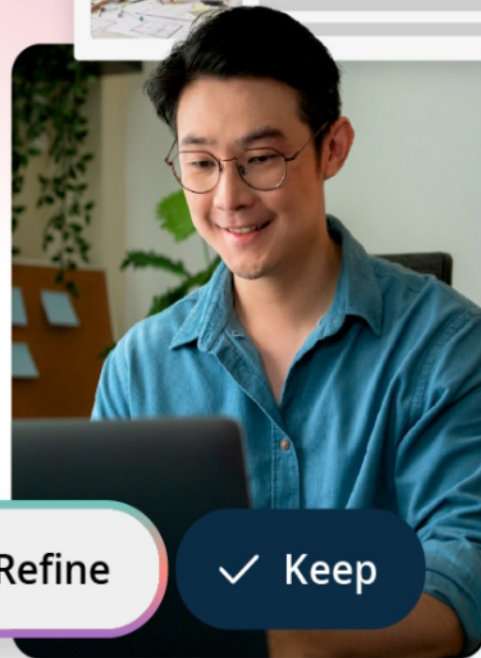
Growth Strategy

Deeper Geographic Penetration

- Our Indian market expansion continues with our partner ECA. The Gujarat university trial demonstrates the scalability of our platform our progress in India.

Growth of Average Client Value

- Our average annual customer value continues its strong growth to $9,287 with a growth rate of 17%. Enhanced AI tools will further support customer value expansion.

Expansion into new Edtech verticals

- Entry into student acquisition with the marketplaces acquisition being completed.
- Partnership and integration opportunities with student management systems are currently being explored.