

Habitat Learn Group Limited

Digital Education Investment Opportunity

HIGHLIGHTS

- Award-winning digital education company seeking £500k of growth capital
- Heads of terms signed with a listed PLC who will invest up to £4.17m for a 20% shareholding
- Post-revenue - £3.1m forecast for 2021 and rapidly growing
- Pre-money valuation of £18.9m
- Legislation and customer demand are driving digital transformation
- Exit through a trade sale to a strategic partner or IPO

CONTACT

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OVERVIEW

Habitat Learn Group Limited's (HLG) mission is to "Design learning tools that are accessible for all". HLG is raising £500k of growth capital to scale deployment, working capital, and match-fund development. Heads of terms agreed with a listed PLC to invest up to £4.17m over the next 12 months. HLG is forecasting to be break-even in 2021 and achieve an EBITDA of £55m by 2025. Advanced EIS assurance has been granted by HMRC.

BUSINESS OPPORTUNITY

Digital transformation has been on the agenda for tertiary education providers for two decades. A combination of drivers has pushed it up the agenda for many institutions:

- Vulnerable, and many argue outdated, business models
- Legislation requiring universal access for all learners as learner cohorts become increasingly diverse
- Growth in distance/remote and part-time learning (up 13%), whilst full-time enrolment is in decline (down 7%)
- Learners are increasingly demanding customised resources, understanding that this leads to greater engagement and success

COVID-19 has brought digital transformation into sharp focus for all stakeholders, especially the institutions themselves. It is at the very top of the leadership agenda, no longer a nice to have, instead considered essential for survival. HLG provides an intuitive, multi-disciplinary learner platform, Habitat Learn, that facilitates a personal learning journey for students of all ages, capabilities, and intelligence. Anywhere and anytime. Habitat Learn consists of four major elements:

Note Taking, closed captioning & Transcription services

- speeds up the learning process and offers alternative personalised learning content for those with learning and/or language challenges

Digital Platform

- enables learners to tailor both their learning process and their expression of that learning

Data Capture

- High-quality audio or video data capture from any device and automation of outputs whether in-class or remote

Linear assessment

- measures learning patterns, learner engagement and self-appraisal. Enhancing Education through measuring impact using collective data

HLG Details

Group website
www.habitatlearn.com

Note Taking Express website
www.notetakingexpress.com

Locations

UK: Woking

Canada: Toronto

USA: New York

Philippines: Baguio City

Brands and products

HLG has 200 institutional customer accounts which act as a pipeline for Habitat Learn. George Brown College (100,000-student institution) has started to roll out Habitat Learn to c500 classrooms across campus. 4 other major Canadian customers are expected to follow suit, each site generating between \$3m and \$6m per year. Several US-based institutions are expected to follow suit in short order. The Learner Platform is being rolled out early due to demand from institutional customers.

Tertiary education is not the only market targeted by HLG. The platform is equally applicable to the private tutoring market (estimated to be worth £207bn by 2025) and the enterprise market by reducing the time and the cost of onboarding, supporting continued professional development and enabling retraining of the workforce efficiently. HLG has a detailed product launch strategy in place over the next three years. HLG continue to develop their platform with the support of recurring significant grant funding from both the UK and Canadian governments.

HLG subsidiaries have received 6 separate grant funding awards from the National Research Council of Canada and Innovate UK during 2020/21 which cumulatively pay for 80% of the groups R&D activities leveraging shareholders' investment. HLG uses AI, Machine Learning and automation techniques to deliver production efficiency and ultimately automated note production.

MANAGEMENT TEAM & ADVISORY BOARD

HLG has assembled a talented, diverse, international management team with deep expertise, significant pedigree, and broad capability led by Jeremy Brassington (CEO). Jeremy is a successful serial angel investor in technology start-ups, experienced chartered accountant, and finance director. North American operations are led by Dan Goerz, who has close relationships with many North American institutions and is an expert on accessibility. The current staff number is 30, 17 in the UK and 13 in Canada, including 11 developers and 4 UI/UX designers.

HLG has an equally impressive advisory board including Dame Professor Wendy Hall considered one of the world's leading AI and web computer scientists. Alan Greenberg – former director of Apple Education EMEA, then Apple Asia, HLG Non-Executive Director, and Professors Keith Staughan, former Dean of Sidney Sussex Cambridge, Ravinder Brar, Seneca College Toronto and Nicola Martin, London South Bank University.

Future exit potential is probable as a trade sale through strategic partner or IPO, or a further finance partner to fuel future global expansion. The shareholders are open-minded regarding exit.