Education Disrupted. Education Reimagined.

The impact of COVID-19 and the future of education systems around the world.
New approaches, opportunities & challenges for EdTech in a post-COVID world.

1. **HolonIQ Introduction.** Global analysis of EdTech innovation and funding, the technologies and models that are shaping the future of education.

2. COVID-19 has accelerated the use of technology across all areas and sectors in education. Which technologies/tools are thriving/needed and what are the gaps yet to be addressed?

3. COVID-19 provides both immense challenges and significant opportunities. From your perspectives, what are your thoughts on the longer-term impact of how COVID may change elements of the world’s education delivery?

4. **Q&A**
Presenters

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1. GLOBAL ANALYSIS OF EDTECH INNOVATION AND FUNDING
Across the board, organizations of all types are expecting to be worse off in the short term as a result of COVID-19. Education institutions are expecting to be the hardest hit with 91% of respondents indicating they will be moderately (61%) or substantially (30%) worse off in the short term.

Source: HolonIQ March 2020

http://globaloutlook.holoniq.com/
72% of respondents from Oceania expect to be substantially or moderately worse off in the short term, moderating to 41% worse off in the long term, closely followed by Europe and Asia.
Almost 85% of respondents expect disruption to their part of the education market before 2025 - 57% of those expecting disruption within the next 24 months. Almost a quarter of respondents cite technology as their top growth strategy going forward, an increase of 10% over the past two surveys.
Total Global Education Expenditure in USD trillions

- 5.9T in 2018
- 8.1T in 2025

Source: HolonIQ, 28 January 2019
Global Education Technology Expenditure. Billions USD

- **2018**: $153B, 2.5% Digital Spend
- **2025**: $342B, 4.3% Digital Spend

Source: HolonIQ as at 24 January 2019
Global EdTech Investment

Q1 2020

Global Education Venture Capital Flow
12,033 Deals. Sized by Deal Size USD, Color by Region

- China: $19.88
- United States: $9.58
- Europe: $2.58
- India: $2.28
- Rest of World: $1.38
2019 H2 Global EdTech VC

Global Education Venture Capital Deals H2 2019 >= $5m USD

Source: HolonIQ January 2020
EdTech investment trends

FINANCING EDUCATION
Micro-financing solutions; Education as a new vertical; Scholarship services.

STEAM & CODING
AI infusion in robotics, adaptive; OMO models; social & games.

LMS/SIS Management Systems
Increasingly comms & social; Easy analytics; Content building.

LEARNER SUPPORT, TEST PREP & TUTORING
Starting to look more like consumer-tech than classroom tech; P2P Q&A platforms; on-demand; mobile first.

AR/VR, GAMES & SIMULATION.
Integrating into formal education and workforce learning.

SKILLS & JOBS
Mentoring; Analytics and Workforce skills mapping; Industry specific.

LANGUAGE LEARNING
Peer-to-peer models; Voice technology; Chat-bot learning.

HIGHER EDUCATION
Public-private partnerships; Embedding skills verification within traditional degrees; Back-solving from jobs and employers.
Audience Poll 1

Post-COVID-19, which of the following do you think will have the greatest impact on education innovation over the next 5 years?

A. University/School/Institution led innovation

B. Government Policy/Action/Funding

C. Public-private partnerships supporting new models

D. Private capital funding innovation/technology
2. WHICH TECHNOLOGIES/TOOLS ARE THRIVING/NEEDED AND WHAT ARE THE GAPS YET TO BE ADDRESSED?
Where we are now

**Increased use of technology in education is accelerating**, while progress in the last 10 years has been steady, **COVID-19 is reinforcing this trend** by confirming the necessity of online education globally. Globally 1.5Bn school and university students have been unable to attend school, creating a massive increase in general awareness about educational technology products.

Startups enabling distance learning for schools, universities and consumers are experiencing impressive growth. For instance, in the K12 space, companies like VIPKIDS, Epic!* and Brainly are seeing 2-3x user growth in Q1 2020 since their solutions offer immediate responses for home-schooling challenges that schools cannot address. Globally, education app downloads in the peak week in March grew 90% vs. the weekly average of Q4 2019.

Distance learning for universities has to now be viewed as a core and not an ancillary activity. Edtech platforms like Google Classroom, Canva, Aula* that facilitate distance learning and engagement for students off-campus are seeing necessary adoption as social distancing measures preclude on-campus learning.

COVID-19 is accelerating the adoption of online learning platforms across the board. Companies such as Kahoot!, Quizlet, Coursera, Ornihar* and language learning platforms like Tandem*, Duolingo or Busuu are seeing a similar 2-3X surge in affected markets. While we anticipate this growth will slow when the crisis abates, we expect patterns of behaviour to remain, resulting in an overall increased adoption (higher user base) post-crisis.

The higher education and lifelong learning space will be the most transformed in the long-run. The crisis has brought to light some challenges for adult learning in terms of value for money and preparation of students for entering labour market. Over time, the shift will benefit alternative solutions like Ironhack*, OpenClassrooms, Guild Education, Degreed that are well positioned to address the growing skill gap in cheaper and more efficient ways.

* Brighteye portfolio company – Internal company data
Current Situation in K-12 Education Space in India (~300 Mn Students)

- **Teacher Quality**
  - High
    - 20 Mn
    - Hacks via Whatsapp & Youtube
  - Low
    - 250 Mn+
    - Smartphone + Mobile Internet

- **Access to Technology**
  - Low
    - Class-in-Class + Hybrid
  - High
    - 1Mn
    - Live Classes
    - 10 Mn
    - Supplementary K12 Apps
    - Home Schooling

**LEADSCHOOL**
Which **technologies/tools** are **thriving/needed** and what are the **gaps yet to be addressed**?  
Is Labster filling a gap?

We received over 625,000 student responses about their experience with Labster.

85% of students were pleased with their Labster experience.

We surveyed **educators** who started using Labster’s virtual labs as a result of **COVID-19**.

90% of respondents reported a **positive experience**.

We surveyed **educators** who started using Labster’s virtual labs as a result of **COVID-19**.

91% of respondents are considering **using** Labster after in-person classes resume.
Audience Poll 2

Which advanced technologies do you think will make the biggest positive impact on education and learning in the medium to long term?

A. Artificial Intelligence

B. Virtual / Augmented Reality

C. Voice-Based Technology

D. Robotics
3. PERSPECTIVES ON THE LONGER-TERM IMPACT OF HOW COVID MAY CHANGE ELEMENTS OF THE WORLD'S EDUCATION DELIVERY?
How Core School Learning Will Shift With Technology

Core School Learning is currently analog, segregated and completely lecture-based with all stakeholders working in silos.

Integrated Technology Platforms will seamlessly connect all stakeholders, enable multi-modal delivery to students and personalize the learning experience.

Publisher Content

School Owner

Teacher

Student

School Leader

Parent

Content Providers

Teacher

Student

School Owner

School Leader

Parent

LEADSCHOOL
From your perspectives around the world, **what are your thoughts on the longer-term impact** of how COVID may change elements of the world's education delivery?

The **expenditure shift** highlighted by HolonIQ has been pushed forward significantly by **Covid-19**.
Student failure rates dropped from 20% to 5%

Cal State Northridge BIOL101: Pass/Fail Rates Before & After Labster

- Before Labster
- After Labster

After using Labster virtual labs, student failure rates dropped from 20% to 5%

Changes coming ...

- Increased accreditation of online content
- Increased leadership acceptance of new forms of teaching and massive budget allocations
- Political reforms when educational sectors experience the upsides of using online tools nationwide
What’s next – accelerating innovation & competition

Increased digital penetration will demand products that deliver value across multiple dimensions and increase competition. Historically, limited penetration of digital in education (3% as of 2018 per HolonIQ), has meant most of the biggest success stories in edtech to date have ridden successive waves of technological innovation across fairly narrow bases. COVID-19 has both increased the size of the market and the growth rate going forward, and you will see full stack products begin to incorporate multiple innovations to create a more robust core value propositions in order to compete and grab market share.
What are your thoughts on the extent to which the traditional system of education will change as a result of COVID-19?

A. **Very little change** – the traditional system of education will return to its pre-COVID state

B. **Some changes** – COVID-19 has accelerated changes that were already occurring in the education sector

C. **Significant change** – COVID-19 has sparked a systematic change in the education traditional system – it will never be the same again.
4. AUDIENCE Q&A
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