

OPENLEARNING LIMITED
ACN 635 890 390
SUPPLEMENTARY PROSPECTUS

1. IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) which supplements the replacement prospectus dated 12 November 2019 (**Prospectus**) issued by OpenLearning Limited (ACN 635 890 390) (**Company**).

This Supplementary Prospectus is dated 5 December 2019 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus, copies of which can be downloaded from the website of the Company at <https://solutions.openlearning.com/investor-home/>.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

2. PURPOSE OF THIS DOCUMENT

The purpose of this Supplementary Prospectus is to:

- (a) provide investors with information in relation to voluntary escrow arrangements entered into with Prestariang Capital Bhd Sdn subsequent to the date of the Prospectus; and
- (b) advise investors that the Closing Date of the Public Offer has been extended until 6 December 2019.

3. VOLUNTARY ESCROW ARRANGEMENTS

By this Supplementary Prospectus, information regarding voluntary escrow arrangements entered between the Company and Prestariang Capital Bhd Sdn (**Prestariang**) is included in new section 6.15 of the Prospectus.

Accordingly, the following amendments are made to the Prospectus:

- (a) The "Company Overview" section of the Prospectus is amended by inserting an additional section 6.15 as follows:

6.15 Voluntary Escrow Arrangements

In addition to the securities which will be restricted from trading for the reasons detailed in Section 6.14 above, Prestariang Capital Bhd Sdn (**Prestariang**) has entered into a voluntary restriction agreement under which 70% of their Shares (9,608,749 Shares) (**Restricted Securities**) will be

subject to voluntary escrow for a period of 6 months from the date of issue of the Shares (**Escrow Period**).

The voluntary restriction agreement with Prestariang provides that during the Escrow Period:

- (a) Prestariang will not:
 - (i) dispose of, or agree or offer to dispose of, the Restricted Securities;
 - (ii) create, or agree or offer to create, any security interest in the Restricted Securities; or
 - (iii) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Restricted Securities; and
- (b) the Restricted Securities will be kept on the issuer sub-register and will be subject to a holding lock.

The voluntary restriction agreement may only be terminated by mutual written agreement between the parties, at which time the Company must immediately remove or cause to be removed the holding lock placed on the Restricted Securities.

During the period in which Prestariang's Shares (and the Securities described in section 6.14) are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

4. CONSEQUENTIAL UPDATES TO THE PROSPECTUS

4.1 Update to "Company Overview" section

Section 6.13 "Substantial Shareholders" is deleted and replaced with the following:

6.13 Substantial Shareholders

The sole Shareholder of the Company as at the date of this Prospectus is Director, Adam Brimo, who holds 1 Share that was issued on incorporation.

Upon the Minimum Subscription being raised, completion of the Acquisition and issue of Shares under the Offers, it is anticipated that the following parties will have substantial shareholdings in the Company:

Shareholder	Shares	Options / Performance Rights	% (undiluted)	% (fully diluted) ¹
Prestariang Capital Sdn Bhd ¹	13,726,784	Nil	10.59%	8.03%
Magna Intelligent Sdn Bhd	11,030,058	4,166,666	8.51%	8.90%
Clive Mayhew	8,288,754	Nil	6.39%	4.85%
Adam Brimo ²	6,532,475	2,162,358	5.04%	5.07%

Notes:

1. Prestariang Capital Sdn Bhd has agreed that 70% of these Shares (9,608,749 Shares) will be subject to voluntary escrow restrictions for a period of 6 months from the date of issue of these Shares. Refer to section 6.15 of this Prospectus for further information regarding the voluntary escrow arrangements between the Company and Prestariang.
2. This includes 126,358 Shares and 126,358 Convertible Note Options to be issued to Melissa Ran (Mr Brimo's wife) upon conversion of Convertible Notes, notwithstanding that the Company does not consider that Ms Ran and Mr Brimo are associates.

The above table assumes that none of the Shareholders referred to take up Shares under the Public Offer. The Company has not received commitments from these Shareholders to take up Shares under the Public Offer. The Company will announce to the ASX details of its top 20 Shareholders (following completion of the Offers) prior to the Shares commencing trading on ASX.

The Directors do not expect that any single Shareholder will control the Company on completion of the Offers.

5. TIMETABLE

The Board wishes to advise that:

- (a) the Closing Date of the Public Offer has been extended until 6 December 2019; and
- (b) settlement of the Acquisitions is expected to occur on 6 December 2019.

Accordingly, the Indicative Timetable as set out in section 2 of the Prospectus is replaced with:

Action	Date
Lodgement of Original Prospectus with the ASIC	5 November 2019
Exposure Period begins	5 November 2019
Lodgement of Prospectus	12 November 2019
Opening Date	13 November 2019
Lodgement of Supplementary Prospectus	5 December 2019
Closing Date	5.00pm on 6 December 2019
Issues of Securities under the Offers	6 December 2019
Despatch of Holding Statements	9 December 2019

Action	Date
Expected date for quotation on ASX	12 December 2019

** The above dates are indicative only and may change without notice. Unless otherwise indicated, all time given are WST. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offers early without prior notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of Securities to applicants. If the Offers are cancelled or withdrawn before completion of the Offers, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offers open.*

Consistent with the above change, references throughout the Prospectus to Closing Date shall be construed as meaning "6 December 2019".

6. CONSENTS

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

7. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.

Adam Brimo
Managing Director
For and on behalf of
OPENLEARNING LIMITED

For personal use only



OpenLearning Limited

ACN 635 890 390

Prospectus

For an offer of 30,000,000 Shares at an issue price of \$0.20 per Share to raise \$6,000,000, together with oversubscriptions for up to an additional 10,000,000 Shares at an issue price of \$0.20 per Share to raise up to an additional \$2,000,000 (**Public Offer**).

LEAD MANAGER:

**cg/Canaccord
Genuity**
Capital Markets

SOLICITORS:

STEINPREIS PAGANIN
Lawyers & Consultants



IMPORTANT INFORMATION:

This is an important document that should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay. **The Securities offered by this Prospectus should be considered highly speculative.**

Important Notices

This replacement prospectus is dated 12 November 2019 and was lodged with the ASIC on that date. This replacement prospectus (**Prospectus**) replaces the original prospectus dated 5 November 2019 (**Original Prospectus**). The ASIC, the ASX, and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Securities under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Securities or the Offers, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia. This Prospectus has been prepared for publication in Australia and may not be released or distributed in the United States of America.

US securities law matters

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the US. In particular, the Securities have not been, and will not be, registered under the

United States Securities Act of 1933, as amended (the US Securities Act), and may not be offered or sold in the US or to, or for the account or benefit of, US Persons (as defined in Regulation S under the **US Securities Act**) or an exemption is available from the registration requirements of the US Securities Act.

Each applicant will be taken to have represented, warranted and agreed as follows:

- (a) it understands that the Securities have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in the US, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;
- (b) it is not in the US;
- (c) it has not and will not send this Prospectus or any other material relating to the Offers to any person in the US; and
- (d) it will not offer or sell the Securities in the US or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which the Securities are offered and sold.

Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at <https://solutions.openlearning.com/investor-home/>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company Secretary by phone on +61 3 9191 0135 during office hours or by emailing the Company at investors@openlearning.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Website

No document or information included on our website is incorporated by reference into this Prospectus.

No cooling-off rights

Cooling-off rights do not apply to an investment in Securities issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking

account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Securities under this Prospectus.

Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Securities. There are risks associated with an investment in the Company. The Securities offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Securities. Refer to Section D of the Investment Overview as well as Section 3 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 8.

Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

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Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's Securities.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 13.

All references to time in this Prospectus are references to Australian Eastern Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Use of Trademark

This Prospectus includes the Company's registered and unregistered trademarks.

All other trademarks, tradenames and service marks appearing in this Prospectus are the property of their respective owners.

Replacement Prospectus

The key differences between this Prospectus and the Original Prospectus are as follows:

- removing details regarding the addressable market of the OL Platform from the key investment highlights section of the investor overview;
- stating the method for calculating annual recurring revenue;
- clarifying operating risks with respect to Design Services;
- removing references to voluntary escrow of Securities; and
- clarifying OL Group's intentions with respect to targeting a wider range of Providers in Australia and Malaysia.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Company Secretary on +61 3 9191 0135.

1. Chairman's Letter

Dear Investor,

On behalf of the Directors of OpenLearning Limited (**Company**), it is my pleasure to invite you to read this Prospectus and to offer you the opportunity to become a Shareholder in the Company.

Under this Prospectus, the Company is seeking to raise \$6,000,000 through the issue of 30,000,000 Shares at an issue price of \$0.20 per Share, with oversubscriptions of up to an additional \$2,000,000 through the issue of up to an additional 10,000,000 Shares at an issue price of \$0.20 per Share.

The OL Group commenced operations in Australia in 2012, with an expansion into the South-East Asian market, initially into Malaysia in 2015 and into Singapore in 2018. The OL Group develops and operates an online education platform (**OL Platform**) on a software-as-a-service (**SaaS**) business model whose primary customers are education providers based in Australia and the South-East Asian markets (primarily Malaysia).

Education providers are attracted to the OL Platform because it is a turn-key solution that enables them to deliver both accredited and non-accredited courses and degrees entirely online without any specialised IT knowledge and at the same time, increase the quality of learning and teaching by following the OL Platform's project-based, social learning approach. In addition, OL Platform's growing database of users, now totalling 1.65m, and its increasing library of quality courses, have turned openlearning.com into a global marketplace for online education.

OL Group initially provided its platform for free to education institutions and the general public, and generated revenue by providing professional services to education providers in the area of learning design. In September 2017, OL Group began monetising the OL Platform through a SaaS business model by charging education providers an annual license, support and hosting fee to use the OL Platform.

OL Group's outbound sales and partnership efforts have been focused on Education Providers (**B2B**) and the number of Providers subscribed to the OL Platform has increased from 6 in March 2018 to 55 at 30 September 2019. OL Group's growth has accelerated since March 2019 when the OL Group introduced a paywall on the OL Platform, ending the free service it provided since inception. The fees paid by a Provider to OL Group are based on usage and therefore new clients start at a low rate with the expectation that fees will increase in line with usage.

Whilst still early in its growth and not yet profitable, the Board believes that the OL Platform operating as a SaaS model will drive growth in revenue and earnings for the OL Group. The Board believes these initiatives will position the OL Group to deliver strong growth and operating leverage for many years to come, and in excess of the structural growth which continues to underpin the online global education markets.

The Public Offer and listing on ASX will assist the OL Group to fund several of these growth opportunities, reward and incentivise senior management to drive the underlying growth of the business and to further develop the OL Platform. The expected \$6,000,000 to \$8,000,000 of funds raised from the Public Offer should enable the OL Group to focus on strategic growth beyond the current size in the long term by increasing the sales team and its presence in both Australia and overseas markets. In addition, the funds raised under the Public Offer should provide the OL Group with the necessary working capital to enable senior management to solely focus on growing the underlying business whilst further enhancing the OL Platform.

This Prospectus contains detailed information about the Public Offer, the industries in which the OL Group operates and the OL Groups' historical financial information. An investment in the Company is subject to a range of risks, including reduced growth in the Australian and offshore education markets; rapid growth risk, loss of customers; anticipated growth may not eventuate; the impact of competition; the performance and reliability of the OL Platform; foreign currency and other risks from offshore operations and the loss of key personnel.

For more information about the key risks associated with an investment in the Company see Section 8 of the Prospectus. You should also note that there can be no guarantee that the OL Group will achieve its stated objectives or that any forward-looking statements in the Prospectus will be realised or will otherwise eventuate. I encourage you to read this document carefully and in its entirety before making your investment decision.

On behalf of my fellow Directors, I look forward to welcoming you as a Shareholder in OpenLearning Limited.

Yours faithfully,



Kevin Barry
Chairman

2. Key Offer Information

Indicative Timetable

Event	Date
Lodgement of Original Prospectus with the ASIC	5 November 2019
Exposure Period begins	5 November 2019
Lodgement of Prospectus	12 November 2019
Opening Date	13 November 2019
Closing Date	5:00pm on 29 November 2019
Issue of Securities under the Offers	2 December 2019
Despatch of holding statements	3 December 2019
Expected date for quotation on ASX	6 December 2019

1. The above dates are indicative only and may change without notice. Unless otherwise indicated, all time given are WST. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offers early without prior notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of Securities to applicants. If the Offers are cancelled or withdrawn before completion of the Offers, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offers open.

Key Statistics of the Offers

	Minimum Subscription (\$6,000,000)	Maximum Subscription (\$8,000,000)
Shares currently on issue	1	1
Shares to be issued under the Public Offer	30,000,000	40,000,000
Public Offer issue price	\$0.20	\$0.20
Consideration Shares ¹	65,000,000	65,000,000
Shares to be issued on conversion of Convertible Notes ²	30,833,307	30,833,307
Director Advisory Shares ³	958,333	958,333
Advisor Shares ⁴	2,875,000	2,875,000
Shares on issue Post-Listing (Undiluted)⁷	129,666,641	139,666,641
Market Capitalisation Post-Listing (Undiluted)⁸	\$25,933,328	\$27,933,328
Options to be issued on conversion of Convertible Notes ²	30,833,307	30,833,307
Advisor Options ⁴	2,593,333	2,793,333
Director Options ⁵	5,000,000	5,000,000
Performance Rights ⁶	2,750,000	2,750,000
Shares on issue Post-Listing (Fully Diluted)⁷	170,843,281	181,043,281
Market Capitalisation Post-Listing (Fully Diluted)⁸	\$34,168,656	\$36,208,656

Notes:

- Refer to Section 10.2 for summaries of the Acquisition Agreements.
- Refer to Section 10.1.2 for a summary of the terms of the Convertible Note Agreements and Section 11.3 for the terms attaching to the Convertible Note Options.
- Shares to be issued to Director, Mr Spiro Pappas, in consideration for advisory services provided to the Company prior to, and throughout, the listing process.
- Shares and Options to be issued to various external advisors in consideration for services provided to the Company during the listing process. Refer to Section 4.17 for a summary of these arrangements and Section 11.3 for the terms of the Advisor Options.
- Refer to Section 11.3 for the terms of the Director Options.
- Refer to Section 11.4 for the terms of the Performance Rights. 2,750,000 Performance Rights will be issued prior to the Company's admission to the Official List, with the remaining 1,750,000 Performance Rights to be issued to key management following the Company's admission to the Official List.
- Certain Securities on issue post-listing will be subject to ASX imposed escrow. Refer to Section 6.14 for a discussion with respect to the likely escrow position.
- Assuming a Share price of \$0.20.

3. Investment Overview

3. Investment Overview

This Section is a summary only and not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

A. Company and OL Group

Item	Summary	Further Information
Who is the issuer of this Prospectus?	OpenLearning Limited (ACN 635 890 390) (Proposed ASX Code: OLL).	
Who is the Company?	The Company was incorporated on 30 August 2019 for the primary purpose of completing the Acquisitions of OL Singapore and OL Investors (and thereby the OL Group).	Section 6.1
Who is the OL Group?	<p>The OL Group is made up of OL Singapore, OL Australia, OL Malaysia and OL Investors. The OL Group engages in the business of offering the OL Platform to education providers for delivery of online education courses.</p> <p>OL Group commenced operations in Australia in 2012, with an expansion into the South-East Asian market (primarily Malaysia and Singapore) commencing in 2015.</p>	Section 6.1
Who are the Board of Directors of the Company?	<p>Mr Kevin Barry (BComm, LLB) – Non-Executive Chairman</p> <p>Kevin is a director of TCAP Australia and Thakral Capital Holdings. His responsibilities include execution of investment opportunities, oversight and management of development projects, origination of senior construction and investment finance. Kevin is also the TCAP group representative director for the GemLife retirement business.</p> <p>Kevin has over 24 years' experience in law, property finance and funds management. Initially he started as a structured finance lawyer in Sydney with KPMG & Blake Dawson, and then London with Norton Rose. In 2001, he moved to investment banking at Zurich Capital Markets Asia where he was Senior Vice President responsible for the structuring and execution of their principal finance business. He subsequently managed CHOPIN structured finance business whose primary activities included originating fixed income products across various asset classes. Prior to joining the TCAP group, Kevin was involved in setting up the credit strategies funds management business at Pengana Capital. Since 2010, Kevin has been on the Board as Chairman of the ASX listed ICS Global Limited (ASX: ICS).</p> <p>Mr Adam Brimo (B.Eng (Software), B. Arts (Politics)) – Executive Director, Managing Director and Group CEO</p> <p>Adam holds Bachelor of Engineering (Software) and a Bachelor Arts (Politics) degrees from UNSW (University of New South Wales), and is a recipient of the 2011 UNSW Alumni Graduand Award. Adam completed his honours thesis at UNSW in partnership with National ICT Australia (NICTA). He is listed in the 2017 Forbes 30 Under 30 Asia for Consumer Technology and in The Pearcey Foundation 2018 NSW Tech Entrepreneur Hall of Fame.</p> <p>Adam previously worked at Macquarie Bank as a Software Engineer in the Fixed Income, Currencies and Commodities Group and at Westpac Institutional Bank as a Senior Software Engineer.</p> <p>In 2010-2011, Adam led the successful Vodafone consumer activist campaign, which resulted in nationwide media coverage, an ACMA inquiry and a \$1bn network upgrade for Vodafone's Australian business. Adam was named the Consumer Activist of the Year in 2011 by Choice Magazine for his transformative impact on the telecommunications sector in Australia.</p> <p>In 2012, Adam joined UNSW Professor Richard Buckland and David Collien to found OpenLearning.com, a social learning platform. Since that time, over 1.65 million students have joined courses, including the first massive open online courses (MOOCs) from Australia and Malaysia.</p>	Section 9.1

3. Investment Overview

Item	Summary	Further Information
Who are the Board of Directors of the Company? continued	<p>Mr Spiro Pappas (BComm (Merit), AICD) – Non-Executive Director</p> <p>Mr Spiro Pappas is a former senior executive of NAB. In his almost 10 years at NAB, Spiro performed several leadership roles including Executive General Manager of Global Institutional Banking, CEO of Asia and Executive General Manager of International and Innovation.</p> <p>Prior to NAB, Spiro spent over 2 years in London and New York with Deutsche Bank and then 11 years in London with ABN AMRO/RBS where he managed a number of global businesses including Debt Capital Markets, Client Coverage for Financial Institutions and Corporate Finance and Advisory.</p> <p>Mr Pappas has also served on the Advisory Board of both the Australia China Business Council and the Australia Japan Business Cooperation Council and is a Board Member of the European Australian Business Council. He is currently the Chairman of Atlas Iron, ASX-listed Splitit (a global payments Fintech) and Cognian Technologies (an innovative Australian wireless lighting technology company).</p> <p>Spiro was also recently a member of a taskforce advising the Federal Government on how to enable the SME sector for the digital age.</p> <p>Mr David Buckingham (Engineering Science BTech (Hons), ACA ICAEW, GAICD) – Non-Executive Director</p> <p>Mr Buckingham holds a Bachelor of Engineering (Hons) from Loughborough University, CA UK, UK ACT and GAICD. He was most recently the Group CEO and Managing Director of Navitas (ASX: NVT) from 2017-2019 and the CFO from 2016-2017.</p> <p>Mr Buckingham has a diverse educational background and impressive career which he began in the United Kingdom with PricewaterhouseCoopers. He later moved into the telecommunications industry to which he devoted much of his career. He has worked for Telewest Global as the Group Treasurer and Director of Financial Planning, Virginmedia, as Finance Director Business Division and iiNet where he held the roles of Chief Financial Officer and Chief Executive Officer between 2008 and 2015.</p> <p>Emeritus Professor Beverley Oliver (BA(Hons) M.Phil PhD W.Aust, GradDipEd Murdoch, GAICD PFHEA) – Non-Executive Director</p> <p>Emeritus Professor Beverley Oliver is an education change leader, a Principal Fellow of the Higher Education Academy, and an Australian National Teaching Fellow. She works as a higher education consultant and researcher in areas such as digital education, micro-credentials, curriculum transformation, quality assurance and graduate employability. She is the founder and editor of the Journal of Teaching and Learning for Graduate Employability.</p> <p>Beverley was Deputy Vice-Chancellor Education at Deakin University (2013-2018), Deputy Chair of Universities Australia's Deputy Vice-Chancellors (Academic) (2018) and Deputy Chair of the Board of EduGrowth, a not-for-profit entity and Australia's acceleration network for high-growth, scalable, borderless education (2016-18).</p> <p>Beverley's leadership has been recognised through two national Citations for Outstanding Contributions to Student Learning and several nationally funded grants and two fellowships. In 2017, she was awarded Deakin University's highest honour, the title of Alfred Deakin Professor, for her outstanding and sustained contribution to conceptualising the strategic enhancement of courses in the digital economy and furthering Deakin University's research and scholarship in the field of higher education.</p>	Section 9.1

Item	Summary	Further Information																																			
Who are the Board of Directors of the Company? continued	<p>Maya Hari (MBA, MS Engineering) – Non-Executive Director</p> <p>Maya Hari is the VP & Managing Director, Asia Pacific at Twitter. Asia Pacific has been the growth engine for Twitter in recent years. Maya’s focus has been to fuel Twitter strategy and rapid growth in key markets such as China, India, Australia and Indonesia. Maya brings diverse business experience having led functions in Sales, Marketing & Product Management. She serves Chairperson of TIE in Singapore (Non-Profit focused on fuelling the entrepreneurial ecosystem).</p> <p>Prior to Twitter, Maya spent 16+ years in the digital media, mobile and eCommerce in the US and in Asia Pacific region for brands such as Google, Samsung, Microsoft & Cisco. She was also responsible for the digital transformation & re-engineering of media powerhouse Conde Nast in Asia – launching and bringing internet and mobile offerings for top tier publication titles such as Vogue, GQ and Condé Nast Traveller.</p>	Section 9.1																																			
What are the interests of the Board in the Company?	<p>The Directors and key management will receive the remuneration set out in the table below:</p> <table><tr><th>Director/Management</th><th>Annual Remuneration (post-listing)</th></tr><tr><td>Kevin Barry</td><td>\$70,000</td></tr><tr><td>Adam Brimo¹</td><td>\$200,000</td></tr><tr><td>Spiro Pappas²</td><td>\$50,000</td></tr><tr><td>David Buckingham</td><td>\$50,000</td></tr><tr><td>Emeritus Professor Beverley Oliver</td><td>\$50,000</td></tr><tr><td>Maya Hari</td><td>\$50,000</td></tr></table> <p>Notes:</p> <p>1. Adam Brimo is also entitled to a once off bonus of \$50,000 upon the Company being admitted to the Official List of ASX and a performance bonus of up to \$50,000 payable based upon OL Group reporting a growth in its year on year annual recurring revenue growth for the period 31 December 2019 to 31 December 2020, further details of which are set out in Section 10.4.1, and an additional \$25,000 upon satisfaction of performance criteria to be determined by the Board.</p> <p>2. Spiro Pappas is also entitled to 958,333 Shares in consideration for corporate advisory services given to the Company and OL Singapore prior to listing.</p> <p>The Directors and key management will hold the following interests in Securities upon completion of the Acquisitions and the Offers:</p> <table><tr><th>Director</th><th>Shares</th><th>Options/ Performance Rights</th></tr><tr><td>Kevin Barry</td><td>1,639,788</td><td>1,534,225</td></tr><tr><td>Adam Brimo</td><td>6,532,475</td><td>2,126,358</td></tr><tr><td>Spiro Pappas</td><td>3,679,091</td><td>1,547,508</td></tr><tr><td>David Buckingham</td><td>416,666</td><td>2,116,666</td></tr><tr><td>Emeritus Professor Beverley Oliver</td><td>Nil</td><td>1,000,000</td></tr><tr><td>Maya Hari</td><td>Nil</td><td>1,000,000</td></tr></table>	Director/Management	Annual Remuneration (post-listing)	Kevin Barry	\$70,000	Adam Brimo ¹	\$200,000	Spiro Pappas ²	\$50,000	David Buckingham	\$50,000	Emeritus Professor Beverley Oliver	\$50,000	Maya Hari	\$50,000	Director	Shares	Options/ Performance Rights	Kevin Barry	1,639,788	1,534,225	Adam Brimo	6,532,475	2,126,358	Spiro Pappas	3,679,091	1,547,508	David Buckingham	416,666	2,116,666	Emeritus Professor Beverley Oliver	Nil	1,000,000	Maya Hari	Nil	1,000,000	Sections 9.5, 9.6 and 10.4
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Maya Hari	Nil	1,000,000																																			

3. Investment Overview

Item	Summary	Further Information
What are the Company's objectives post-listing?	<p>Following completion of the Acquisitions, OL Group aims to:</p> <ul style="list-style-type: none"> (a) Achieve profitability through growth: rapidly increase recurring revenue by acquiring new customers and increasing usage with existing customers to achieve profitability; (b) increase brand awareness: maintain and expand on market leading positions in Australia and Malaysia; and (c) optimise online customer acquisition: develop and grow online sales, marketing and onboarding capability to acquire education providers in both new and existing markets. 	Section 6.2
What are the key highlights of an investment in the Company	<p>The key highlights of an investment in the Company include:</p> <ul style="list-style-type: none"> (a) a fully operational online education platform with blue-chip university and government SaaS customers in Australia, Malaysia and overseas; (b) a market leading, lifelong learning platform in Australia and Malaysia by users and education providers; (c) an online learning platform with 1.65 million unique registered users worldwide, of which 435,873 have accessed a Course between 1st October 2018 and 30 September 2019; (d) grown from 6 to 55 business to business SaaS clients between 31 March 2018 and 30 September 2019; (e) in the first half of the financial year ending 31 December 2019, approximately 70% of gross sales were booked in Australia, with the remaining 30% in Malaysia; and (g) SaaS annualised recurring revenue of A\$790,000 for September 2019, up 82% year on year, with A\$402,000 revenue actually received in September 2019 (unaudited) across the OL Platform (SaaS), Design Services and OL Marketplace segments. 	Section 6.3

B. Industry Overview

Item	Summary	Further Information
What is the industry in which the Company will operate?	<p>The OL Group develops and operates an online education platform (OL Platform) on a software-as-a-service (SaaS) business model whose primary customers are education providers based in Australia and South East Asia. The OL Group therefore operates within the online education industry.</p> <p>The OL Group considers education providers (Providers) to be companies and organisations that operate in the following sectors (Target Industries):</p> <ul style="list-style-type: none"> (a) universities and other higher education; (b) vocational education and training; (c) industry and member-based associations; and (d) corporate training and continuing professional development. <p>The OL Platform enables education providers to design and deliver any type of accredited or unaccredited, online or blended education programs, including:</p> <ul style="list-style-type: none"> (a) massive open online courses (MOOCs); (b) private or paid courses; (c) undergraduate or postgraduate degrees; (d) micro-credentials and micro-learning; (e) continuing professional development; and (f) vocational education and training programs. <p>The OL Platform can be utilised by Providers globally, however, OL Group has initially focused on two key markets with localised customer support, pricing and learning services, Australia and Malaysia (Primary Markets). OL Group has attracted education providers in other markets despite a lack of targeted marketing, including Singapore, Indonesia, United States, United Kingdom and Canada (Secondary Markets), with 6.14% of its revenue derived from Secondary Markets.</p>	Section 5
Who are OL Group's key competitors?	<p>The range of use-cases supported by the OL Platform results in OL Group indirectly competing with platforms and education technology vendors in multiple sectors, potentially disrupting traditional software and services businesses, including:</p> <ul style="list-style-type: none"> (a) MOOC platforms; (b) learning managing systems; and (c) online program management/enablement companies. <p>OL Group believes that its closest competitors are other MOOC platforms, however OL Group is not aware of any of the major platforms in that category providing exactly the same type of online learning platform on a software-as-a-service model with an inbuilt global education marketplace.</p>	Section 5.3

3. Investment Overview

C. Business Model

Item	Summary	Further Information
How does OL Group generate revenue?	OL Group generates revenue from providing the OL Platform as a SaaS to Providers and through add-ons including its Design Services and OL Marketplace.	Section 6.4
What is the OL Platform?	<p>Generally, when a Provider decides to deliver online or blended Courses, they may procure a range of products and services from multiple companies, requiring substantial investment and time, resulting in a long payback period and potentially significant execution risk.</p> <p>The OL Platform is vertically integrated online education platform that enables end-to-end education delivery, from student acquisition and payment, through to assessment and certification, within a global multitenant cloud platform. It is a turn-key solution for higher education providers to move their core business online.</p> <p>OL Group initially focused on enabling universities to deliver freely accessible unaccredited short-format online courses and has since expanded its functionality and capability to enable education providers of any size to deliver Courses to any number of students – from Small Courses with 10 students to MOOCs with 100,000 students. The OL Platform enables Providers to design and deliver any type of Course.</p> <p>The OL Platform is made available to Providers, who offer Courses to learners through the OL Platform, on a usage-based tiered pricing model that aligns to the value created for OL Group's customers in its Primary Markets.</p> <p>The OL Platform runs on virtualised cloud infrastructure provided by Microsoft Azure. The backend services are contained within a secured virtual network, and are accessed via HTTP requests (from web browsers, mobile devices, or API applications) via the Azure Application Gateway.</p> <p>The OL Platform also makes use of external (not part of the Azure cloud ecosystem) services for content storage (ensuring protection of Providers' IP and personal details of all users), content delivery, data collection and analysis, multimedia encoding streaming and improving the customer experience.</p>	Sections 6.4.1 and 6.5
What are the Design Services?	<p>OL Group generates professional services revenue through its Design Services by undertaking learning design projects on daily, hourly or fixed price arrangement. OL Group has provided Design Services to a range of Providers, including universities, government and corporates, for both accredited and unaccredited Courses. In some cases, OL Group will provide the Design Services to a Provider for no upfront cost in exchange for a share of revenue generated from the Course.</p> <p>OL Group determines the price of a Design Services project through a scoping exercise whereby OL Group's learning designers review the course materials, interview the subject matter expert and consider the outcomes the Provider wants to achieve. OL Group will then estimate the time required for its learning designers and multimedia producers to design the Course. OL Group's current standard price for learning design is A\$1,100/day (inc GST) and multimedia production is A\$1,375/day (inc GST).</p>	Section 6.4.2

Item	Summary	Further Information
What is the OL Marketplace?	<p>The OL Marketplace contains all publicly accessible Courses that are delivered via the OL Platform. OL Group monetises the OL Marketplace in two ways:</p> <ul style="list-style-type: none"> (a) Directly: OL Group may receive a percentage of revenue from Courses sold through the OL Platform, the percentage ranges from 0% for B2B SaaS customers to up to 65% for courses where OL Group has provided Design Services on a revenue share basis; and (b) Indirectly: increasing the number of enrolments in Courses delivered via the OL Platform may lead to higher SaaS revenue from Providers in the event that the SaaS fees paid by the Provider are determined based on the number of learners that are taking the Provider's course via the OL Platform. <p>OL Group regularly promotes Courses to its userbase and views the OL Marketplace as a key differentiator and a selling point for education providers who are looking to increase their brand awareness and acquire new students.</p>	Section 6.4.3
How is OL Group marketed to Providers?	<p>OL Group markets the OL Platform through the following channels:</p> <ul style="list-style-type: none"> (a) online, through OL Group's website: www.openlearning.com, which allows Providers to subscribe for its low cost SaaS plan entirely online or to contact OL Group's sales team for higher team, institution and enterprise plans; (b) direct sales through: <ul style="list-style-type: none"> (i) partnership managers at OL Group's office in Sydney, Australia; and (ii) sales and business development managers at OL Group's office in Kuala Lumpur, Malaysia; and (c) business development efforts from OL Group's senior executives with a focus on strategic sales and partnerships with large enterprises and organisations. <p>Following the Company listing on ASX, OL Group's intention is to engage authorised partners and resellers to target specific sectors that are not serviced by OL Group's direct sales teams.</p> <p>OL Group's sales and marketing efforts are currently directed towards the higher education sector and plans to expand its teams in Australia and Malaysia to target a wider range of Providers, including corporates and government agencies, as well as broadening the number of higher education providers currently utilising the OL Platform. OL Group also intends to consider broadening its offering in the medium term to other global jurisdictions, particularly in South-East Asia.</p>	Section 6.7
How has OL Group been financed to date?	<p>OL Group's financing to date has been provided by existing shareholders through subscriptions for shares in entities within the OL Group and through investments under the Convertible Note Agreements.</p>	Section 10.1.2
What are the significant dependencies of the Company post-listing?	<p>The key factors that the Company will depend on to meet its objectives are:</p> <ul style="list-style-type: none"> (a) the successful completion of the Public Offer; (b) the successful Settlement of the Acquisitions; (c) the ability of the Company to expand its sales and partnerships teams and to ensure their effectiveness in order to increase monthly recurring revenue; (d) the continued demand from Providers to deliver their Courses online and require OL Group's Design Services; and (e) the ability of the Company to expand into new markets by attracting and onboarding education providers through inside sales and online channels. 	Section 6.8

3. Investment Overview

D. Financial Information

Item	Summary	Further Information
How has OL Group performed historically?	<p>Since the launch of the OL Platform in October 2012 and through to early 2018, OL Group pursued user and enrolment growth at the expense of revenue by allowing individuals, educators and a number of Providers to utilise the OL Platform for free or on revenue share basis.</p> <p>This strategy enabled OL Group to attract a large number of learners and Providers worldwide to the OL Platform, establish its brand in key markets and develop its technology at scale.</p> <p>In March 2019, OL Group introduced a paywall on the OL Platform and notified all 1,660 educators who had created Courses and 203 Providers that they would need to subscribe to a SaaS plan in order to continue using the OL Platform. As at 30 September 2019, OL Group had 422 subscribers to its personal plan for educators and 55 subscribers to its plans for Providers.</p> <p>In July 2019, OL Group restructured its operations in Australia and Malaysia to focus on growing SaaS revenue by expanding its sales and marketing teams, reducing the headcount of its learning design team and increasing the size of its customer success and onboarding teams.</p> <p>OL Group's outbound sales and partnership efforts have been focused on Providers and the number of Providers subscribed to the OL Platform has increased from 6 in March 2018 to 55 at 30 September 2019. The fees paid by a Provider to OL Group are based on usage and therefore new clients start at a low rate with the expectation that fees will increase in line with usage.</p>	Section 6.6
What is the key financial information for the Company?	<p>Refer to Section 7 for:</p> <p>(a) the following statutory historical financial information of the OL Group:</p> <ul style="list-style-type: none">(i) statutory historical statements of financial position for OL Group as at 31 December 2017, 31 December 2018 and 30 June 2019;(ii) statutory historical statements of profit or loss and other comprehensive income for OL Group for the financial years ended 31 December 2017, 31 December 2018 and the half-year ended 30 June 2019; and(iii) statutory historical statements of cash flows for OL Group for the financial years ended 31 December 2017, 31 December 2018 and the half-year ended 30 June 2019; and <p>(b) a pro-forma historical combined statement of financial position for OL Group following completion of the Acquisitions and the Offers as at 30 June 2019.</p> <p>Investors should note that past performance is not a guide to future performance.</p>	Section 7 and Annexure A

Item	Summary	Further Information
How has the Company performed historically?	OL Group's SaaS revenue has grown since it introduced the SaaS business model in 2017:	Section 7

1. Refer to the glossary in Section 13 for a description with respect to how ARR is calculated. Calculations for end of period are undertaken in June for half-years and December for full-years.

3. Investment Overview

E. Key Risks

Item	Summary	Further Information
Going Concern Risk	<p>Since adopting the SaaS model in March 2019, OL Group has limited operating history and limited historical financial performance. Further, the OL Group has operated at a loss since its incorporation.</p> <p>OL Group incurred consolidated losses (after tax) of:</p> <ul style="list-style-type: none"> (a) \$3,918,000 for the financial year ended 31 December 2017; (b) \$4,375,000 for the financial year ended 31 December 2018; and (c) \$2,300,000 for the half-year ended 30 June 2019. <p>Please refer to the financial information in Section 7 for further details.</p> <p>No assurance can be given that OL Group will achieve commercial viability following completion of the Acquisitions and Public Offer. Until OL Group is able to realise substantial value from the OL Platform and associated services, it is likely to incur ongoing operating losses. Achievement of OL Group's objectives will depend on the Board's ability to successfully implement its development and growth strategy. Depending on OL Group's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Public Offer.</p> <p>Further, the auditors determined that a material uncertainty existed as at 30 June 2019 that could cast significant doubt on the Company's ability to continue as a going concern. Notwithstanding this, the Directors believe that upon the successful completion of the Public Offer, the Company will have sufficient funds to continue as a going concern and to carry out its objectives as stated in this Prospectus.</p>	Section 8.3(a)
Platform Agreement Risk	<p>To continue to grow OL Group's business, it is important that existing Providers renew their subscriptions when existing contracts expire and that OL Group expands its relationships with existing customers. Providers have no obligation to renew their subscriptions, and may decide not to renew their subscriptions with a similar contract period, at the same prices and terms, or at all.</p> <p>OL Group's ability to retain Providers and expand deployments with them may decline or fluctuate as a result of a number of factors, including Providers' satisfaction with the OL Platform, OL Group's customer support, prices, competitor prices and new feature releases. If Providers do not offer additional Courses or renew their existing subscriptions, renew on less favourable terms, or fail to continue to expand their engagement with the OL Platform, OL Group's revenue may decline or grow less quickly than anticipated, which would harm its results of operations.</p>	Section 8.3(b)
Design Services & Learning Philosophy Risk	<p>OL Group's Design Services have historically made up a significant part of its revenue. OL Group has experienced a decline in Design Services revenue in FY 2019 as a result of the OL Group's decision to no longer offer Design Services in the Malaysian market and a reallocation of resources towards growing higher margin SaaS revenue. While Design Services will continue to be offered to Australian Providers, OL Group's future success will depend on Providers' developing the skills necessary to design Courses without the need for ongoing Design Services from OL Group, thereby enabling OL Group to scale its SaaS revenue and reduce overheads associated with provision of Design Services.</p> <p>OL Group's ongoing viability will also depend on its ability to ensure that OL Group's learning philosophy remains relevant to the manner in which Providers wish to offer Courses. In the event that Providers disagree with OL Group's learning philosophy, there is a risk that there may be a decreased utilisation of the OL Platform by Providers, resulting in decreased revenue and a corresponding reduction in the value of the Company.</p>	Section 8.3(c)

Item	Summary	Further Information
Risks Regarding Demand for Cloud Based Learning	<p>OL Group's future success will depend in part on the growth, if any, in the demand for cloud-based technology learning solutions. The widespread adoption of the OL Platform depends not only on strong demand for new forms of technology learning, but also for solutions delivered through an SaaS business model in particular.</p> <p>The market for cloud-based learning solutions is less mature than the market for in-person learning, which many Providers currently utilise and Providers may be slow or unwilling to migrate from these legacy approaches. As such, it is difficult to predict Provider demand for the OL Platform, Provider adoption and renewal, the rate at which existing Providers expand their engagement with the OL Platform, the size and growth rate of the market for the OL platform, the entry of competitive products into the market, or the success of existing competitive products.</p>	Section 8.3(d)
OL Platform Risk	<p>OL Group will need to ensure that the OL Platform continues to be updated to add new features as new technologies are developed. The success of any enhancement or new feature depends on several factors, including OL Group's understanding of market demand, timely execution, successful introduction, and market acceptance.</p> <p>The OL Platform hosts data on data centres provided by Microsoft Azure, a provider of cloud infrastructure services. OL Group's operations therefore depend on the virtual cloud infrastructure hosted by Microsoft Azure as well as the information stored in these virtual data centres and which third-party internet service providers transmit. Any incident affecting Microsoft Azure's infrastructure could negatively affect the availability and reliability of the OL Platform.</p> <p>A prolonged Microsoft Azure service disruption affecting the OL Platform, or Microsoft Azure no longer being willing to offer their cloud infrastructure services, could damage OL Group's reputation, expose OL Group to liability, cause OL Group to lose customers, or otherwise harm OL Group's business. While alternative cloud infrastructure services are available, OL Group may incur significant costs and delays if it is required to transition to a new service provider, and using alternative cloud infrastructure providers may provide services on terms less favourable to those offered by Microsoft Azure. The Company is, to a lesser extent, reliant on Prestariang Systems Sdn Bhd continuing to act as reseller of Microsoft Azure to OL Group. However, should Prestariang Systems Sdn Bhd cease to act as reseller the Company considers that it will be able to obtain access to Microsoft Azure through Microsoft directly, or through another reseller on similar terms.</p> <p>Any errors, failures, vulnerabilities or bugs in the OL Platform may not be found until after they are deployed. As a provider of technology learning solutions, OL Group's brand and reputation is particularly sensitive to such errors, failures, vulnerabilities, or bugs, due to the fact that Providers' proprietary information will be available through the OL Platform. Any unauthorised access of Course content by third parties could expose the Company to significant liability.</p>	Section 8.3(e)

3. Investment Overview

Item	Summary	Further Information
SaaS Risk	<p>While OL Group has been operating for over 7 years, the SaaS model for generating revenue has only been operating since March 2019. This limited history with OL Group's SaaS model limits OL Group's ability to predict future cashflow requirements or forecast future results of operations. OL Group is not currently profitable and while OL Group considers the SaaS model to lead to it becoming profitable, there can be no certainty that this will eventuate.</p> <p>OL Group relies on hosted SaaS applications from third parties in order to operate critical functions of the OL Platform, including content delivery, enterprise resource planning, customer relationship management, billing, project management, and accounting and financial reporting. If these services become unavailable due to extended outages, interruptions, or because they are no longer available on commercially reasonable terms, OL Group's expenses could increase, its ability to manage finances could be interrupted, and its processes for managing sales through the OL Platform and supporting Providers and learners could be impaired until equivalent services, if available, are identified, obtained, and implemented, all of which could adversely affect OL Group's business.</p>	Sections 8.3(f)
Risk Relating to Reliance on Internet	<p>The OL Platform depends on the availability of the internet, and to a lesser extent the quality of users' access to the internet. Certain features of the OL Platform require significant bandwidth and fidelity to work effectively.</p> <p>Internet access is frequently provided by companies that have significant market power that could take actions that degrade, disrupt, or increase the cost of user access to the OL Platform, which would negatively impact OL Group. OL Group could incur greater operating expenses and its ability to acquire and retain customers could be negatively impacted if network operators: implement usage-based pricing; discount pricing for competitive products; otherwise materially change their pricing rates or schemes; charge OL Group to deliver traffic at certain levels or at all; throttle traffic based on its source or type; implement bandwidth caps or other usage restrictions; or otherwise try to monetize or control access to their networks.</p>	Section 8.3(g)
Competition Risk	<p>The market for online learning solutions is highly competitive, rapidly evolving, and fragmented, and OL Group expects competition to continue to increase in the future. A significant number of companies have developed, or are developing, products and services that currently, or in the future may, compete with OL Group's offerings. There are also existing competitors operating in jurisdictions outside of OL Group's Primary Markets. This competition, or a movement of competitors into OL Group's Primary Markets, could result in decreased revenue, increased pricing pressure, increased sales and marketing expenses, and loss of market share, any of which could adversely affect OL Group's business, results of operations, and financial condition.</p> <p>Many of OL Group's competitors and potential competitors are larger and have greater brand name recognition, longer operating histories, larger marketing budgets and established customer relationships, access to larger customer bases and significantly greater resources for the development of their solutions. In addition, OL Group face potential competition from participants in adjacent markets that may enter its markets by leveraging related technologies and partnering with or acquiring other companies, or providing alternative approaches to provide similar results.</p>	Section 8.3(j)
Reliance on Key Management	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p>	Section 8.3(o)

Item	Summary	Further Information
Data loss, theft or corruption	Exploitation or hacking of any of the Company's systems or networks could lead to corruption, theft or loss of the data which could have a material adverse effect on the Company's business, financial condition and results. Further, if the Company's systems, networks or technology are subject to any type of 'cyber' crime, its technology may be perceived as unsecure which may lead to a decrease in the number of customers.	Section 8.4(e)
Foreign exchange and currency risks	The Company will be operating in a variety of jurisdictions, including Singapore, Malaysia and Australia, and as such, expects to generate revenue and incur costs and expenses in Malaysian Ringgit, Singapore dollars, US dollars and Australian dollars, movements in currency exchange rates may adversely or beneficially affect the Company's results or operations and cash flows. For example, the appreciation or depreciation of US, Singaporean or Malaysian currency relative to the Australian dollar would result in a foreign currency loss or gain. Any depreciation of currencies in foreign jurisdictions in which the Company operates may result in lower than anticipated revenue, profit and earnings of the Company.	Section 8.4(f)
Other risks	For additional specific risks please refer to Section 8.2. For other risks with respect to the Acquisitions and Offers, the market in which the Company will operate and general investment risks, many of which are largely beyond the control of the Company and its Directors, please refer to Sections 8.2, 8.3, 8.4 and 8.5.	Sections 8.2, 8.3 8.4 and 8.5

F. Offers

Item	Summary	Further Information
What is being offered and who is entitled to participate under the Public Offer?	The Company invites applications under the Public Offer for 30,000,000 Shares at an issue price of \$0.20 per Share to raise \$6,000,000, together with oversubscriptions for up to an additional 10,000,000 Shares at an issue price of \$0.20 per Share to raise up to an additional \$2,000,000.	Section 4
What is the allocation policy under the Public Offer?	<p>The Company retains an absolute discretion to allocate Shares under the Public Offer and reserves the right, in its absolute discretion, to allot to an applicant a lesser number of Shares than the number for which the applicant applies or to reject an Application Form. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.</p> <p>No Applicant under the Public Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors (in conjunction with the Lead Manager) will be influenced by the following factors:</p> <ul style="list-style-type: none"> (a) the number of Shares applied for; (b) the overall level of demand for the Public Offer; (c) the desire for a spread of investors, including institutional investors; and (d) the desire for an informed and active market for trading Shares following completion of the Public Offer. 	Section 4.8
How can I apply for Shares under the Public Offer	Applicants apply for Securities by completing a valid Application Form attached to or accompanying this Prospectus and submitting that form in accordance with the instructions set out on the Application Form.	Section 4.6

3. Investment Overview

Item	Summary	Further Information
What is the purpose of the Offers?	<p>The primary purposes of the Offers are to:</p> <ul style="list-style-type: none"> (a) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules; (b) provide the Company with additional funding for: <ul style="list-style-type: none"> (i) expand sales and marketing activities to grow revenue; (ii) enhance customer support and learning design services to increase usage with existing customers; (iii) maintain product leadership in the higher education sector; and (iv) the Company's working capital requirements; and (c) remove the need for an additional disclosure document to be issued upon the sale of any Shares that are to be issued under the Offers or Shares issued upon conversion of the of the Convertible Notes. <p>The Company intends on applying the funds raised under the Public Offer along with its current cash reserves in the manner detailed in Section 6.11.</p> <p>Upon completion of the Public Offer, the Company considers that it will satisfy the requirement for at least 20% of its Shares to be held by non-affiliated parties and able to be traded on the ASX.</p>	Section 4.3
What are the Secondary Offers?	<p>The Prospectus also includes the following secondary offers:</p> <ul style="list-style-type: none"> (a) an offer of 65,000,000 Consideration Shares in consideration for the Acquisitions; (b) offers of 30,833,307 Shares and 30,833,307 Options to the Convertible Note Holders; and (c) an offer of 2,750,000 Performance Rights to certain management of OL Group. <p>Only specified persons will be entitled to participate in the Secondary Offers, all of whom will be approached directly by the Company.</p>	Section 4.2
What will the Company's capital structure look like after completion of the Offers and the Acquisitions?	<p>The Company's capital structure on completion of the Offers is set out in Section 6.12.</p>	Section 6.12
What are the terms of the Shares offered under the Offers and to be issued at Settlement of the Acquisitions?	<p>A summary of the material rights and liabilities attaching to:</p> <ul style="list-style-type: none"> (a) the Shares offered under the Offers are set out in Section 11.2; (b) the Convertible Note Options, Director Options and Advisor Options are set out in Section 11.3; and (c) the Performance Rights are set out in Section 11.4. 	Section 11.2 to 11.4

Item	Summary	Further Information
Will any Securities be subject to escrow?	<p>Subject to the Company complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offers, certain Securities (including some of those issued as consideration under the Acquisitions and upon conversion of the Convertible Notes) to be issued may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.</p> <p>During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.</p>	Section 6.14
Will the Securities be quoted?	<p>Application for quotation of all Shares to be issued under the Offers (other than those subject to escrow) will be made to ASX no later than 7 days after the date of this Prospectus.</p> <p>The Performance Rights, and Options will not be quoted. However, the Shares issued upon conversion of those Securities will be quoted (subject to any ASX imposed escrow).</p>	Section 4.8
What are the key dates of the Offers?	The key dates of the Offers are set out in the indicative timetable in Section 1.	Section 2
What is the minimum investment size under the Public Offer?	<p>Applications under the Public Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$200 worth of Shares (1,000 Shares).</p> <p>The Company, together with the Lead Manager, reserves the right to:</p> <ul style="list-style-type: none"> (a) reject any Application or to allocate a lesser number of Shares than applied for; or (b) aggregate any Applications, which it believes may be multiple Applications from the same person. 	Section 4.7
Are there any conditions to the Offers?	<p>The Offers are conditional on the Acquisition Agreements becoming unconditional. If this Condition is not satisfied, the Acquisitions and the Offers will not proceed.</p> <p>Securities issued under this Prospectus will be issued on the date of Settlement of the Acquisitions. In this regard, if Settlement does not occur, no Securities will be issued pursuant to this Prospectus.</p>	Sections 4.13 and 4.13
How will the proceeds of the Public Offer be used?	<p>Together with existing cash reserves of the Company, the Public Offer proceeds will be used to fund:</p> <ul style="list-style-type: none"> (a) expenses of the Offers and Acquisitions; (b) expand sales and marketing activities to grow revenue; (c) enhance customer support and learning design services to increase usage with existing customers; and (d) the Company's working capital requirements. 	Section 6.11
Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by Applicants on the acquisition of Securities under the Offers.	Section 4.19
Is the Public Offer underwritten?	The Public Offer is not underwritten.	Sections 4.15

3. Investment Overview

Item	Summary	Further Information
Who is the Lead Manager to the Public Offer?	<p>The Company has appointed Canaccord Genuity Patersons Limited (Lead Manager or Canaccord Genuity) as lead manager to the Public Offer. The Company will pay Canaccord Genuity the following in consideration for its role as Lead Manager:</p> <ul style="list-style-type: none"> (a) a lead manager fee of 2% of the proceeds raised under the Public Offer; and (b) a selling fee of 3% of the proceeds raised under the Public Offer by investors introduced by Canaccord Genuity (Selling Fee). <p>The Company has also agreed to pay to Canaccord Genuity a retainer of \$12,500 per month for a minimum of 12 months following the date of the Mandate (being the period expiring on 18 October 2020) and to reimburse Canaccord Genuity for expenses reasonably incurred in respect of the Public Offer (including legal fees). Any single expenditure item in excess of \$2,000 shall be subject to prior approval from the Company.</p>	Sections 4.16 and 10.1.1
Can the Offers be withdrawn?	<p>The Company reserves the right not to proceed with the Offers at any time before the issue or transfer of Shares to successful Applicants.</p> <p>If the Offers do not proceed, application monies will be refunded (without interest).</p>	Section 4.14
What are the tax implications of investing in Securities?	<p>Holders of Securities may be subject to tax on dividends and possibly capital gains tax on a future disposal of Securities issued under this Prospectus.</p> <p>The tax consequences of any investment in Securities will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Securities offered under this Prospectus.</p>	Section 4.19
Where can I find more information?	<ul style="list-style-type: none"> • By speaking to your stockbroker, solicitor, accountant or other independent professional adviser; • By visiting the Company's website at www.openlearning.com; or • By contacting the Company Secretary on +61 3 9191 0135. 	

4. Details of the Offers

4. Details of the Offers

4.1 The Public Offer

The Public Offer is an initial public offering of a total of up to 40,000,000 Shares at \$0.20 per Share to raise \$8,000,000 (**Maximum Subscription**).

All Shares issued under the Public Offer will be fully paid and will rank equally with all other Shares currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 11.2.

4.2 Secondary Offers

4.2.1 Consideration Offer

This Prospectus includes an offer of 65,000,000 Consideration Shares to be issued to the OL Singapore Vendors pursuant to the OL Singapore Acquisition Agreement (the material terms of which are summarised at Section 10.2) (**Consideration Offer**).

The terms of the Shares offered under the Consideration Offer are summarised in Section 11.2.

Only the OL Singapore Vendors may accept the Consideration Offer. A personalised Application Form in relation to the Consideration Offer will be issued to the OL Singapore Vendors together with a copy of this Prospectus.

The Shares issued under the Consideration Offer may be subject to escrow under the ASX Listing Rules. Please refer to Section 6.14 for a summary of the likely escrow position.

4.2.2 Convertible Note Offer

This Prospectus includes an offer of 30,833,307 Shares and 30,833,307 Options to the Convertible Note Holders upon conversion under the Convertible Note Agreements (the material terms of which are summarised at Section 10.1.2) (**Convertible Note Offer**).

The terms of the Shares offered under the Convertible Note Offer are summarised in Section 11.2 and the terms of the Options offered under the Convertible Note Offer are summarised in Section 11.3.

Only the Convertible Note Holders may accept the Convertible Note Offer. A personalised Application Form in relation to the Convertible Note Offer will be issued to the Convertible Note Holders together with a copy of this Prospectus.

The Securities issued under the Convertible Note Offer may be subject to escrow under the ASX Listing Rules. Please refer to Section 6.14 for a summary of the likely escrow position.

4.2.3 Performance Rights Offer

This Prospectus includes an offer of 2,750,000 Performance Rights (**Performance Rights Offer**) to be issued to directors of the Company as an equity linked incentive under their relevant engagement agreements. The terms and conditions of the Performance Rights are summarised at Section 11.4 of this Prospectus.

The Company will not apply for quotation of the Performance Rights. Only the relevant employees may accept the Performance Rights Offer. A personalised Application Form in relation to the Performance Rights Offer will be issued to the relevant employees together with a copy of this Prospectus.

The Performance Rights may be subject to escrow under the ASX Listing Rules. Please refer to Section 6.14 for a summary of the likely escrow position.

4.3 Purpose of the Offers

The primary purposes of the Offers are to:

- (a) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules;
- (b) provide the Company with additional funding for:
 - (i) expand sales and marketing activities to grow revenue;
 - (ii) enhance customer support and learning design services to increase usage with existing customers;
 - (iii) maintain product leadership in the higher education sector; and
 - (iv) the Company's working capital requirements; and

- (c) remove the need for an additional disclosure document to be issued upon the sale of any Shares that are to be issued under the Offers or Shares issued upon conversion of the Convertible Notes.

The Company intends on applying the funds raised under the Public Offer along with its current cash reserves in the manner detailed in Section 6.11.

4.4 Minimum subscription

The minimum subscription under the Public Offer is \$6,000,000 (**Minimum Subscription**).

If the Minimum Subscription has not been raised within four months after the date of the Original Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The Shares making up the Minimum Subscription represent approximately 23% of the Shares on issue on completion of the Offers. Accordingly, the “free float” (for the purposes of ASX Listing Rule 1.1) will be at least 23% of the Shares on issue at listing.

4.5 Oversubscriptions

The Company will accept oversubscriptions under the Public Offer for up to an additional 10,000,000 Shares at an issue price of \$0.20 per Share to raise up to an additional \$2,000,000.

4.6 Applications

Applications for Shares under the Public Offer must be made by using the Application Form as follows:

- (a) using an online Application Form at <https://investor.automic.com.au/#/ipo/openlearning> and pay the application monies electronically; or
- (b) completing a paper-based application using the relevant Application Form attached to, or accompanying, this Prospectus or a printed copy of the relevant Application Form attached to the electronic version of this Prospectus.

By completing an Application Form, each Applicant under the Public Offer will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Completed Application Forms and accompanying cheques, made payable to “**OpenLearning Limited**” and crossed “**Not Negotiable**”, must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (WST) on the Closing Date, which is scheduled to occur on 29 November 2019.

If paying by BPAY®, please follow the instructions on the online Application Form. A unique reference number will be quoted upon completion of the online application. Your BPAY reference number will process your payment to your application electronically and you will be deemed to have applied for such securities for which you have paid. Applicants using BPAY should be aware of their financial institutions cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the Closing Date of the Public Offer. You do not need to return any documents if you have made payment via BPAY.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

The Company reserves the right to close the Public Offer early.

4.7 Minimum Application Amount

Applications under the Public Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$200 worth of Shares (1,000 Shares).

4. Details of the Offers

4.8 Allocation Policy

The Company retains an absolute discretion to allocate Shares under the Public Offer and reserves the right, in its absolute discretion, to allot to an applicant a lesser number of Shares than the number for which the applicant applies or to reject an Application Form. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No Applicant under the Public Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors (in conjunction with the Lead Manager) will be influenced by the following factors:

- (a) the number of Shares applied for;
- (b) the overall level of demand for the Public Offer;
- (c) the desire for a spread of investors, including institutional investors; and
- (d) the desire for an informed and active market for trading Shares following completion of the Public Offer.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

4.9 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus was made within 7 days after the date of the Original Prospectus. The Company will not seek ASX listing for the Director Options, Advisor Options or Performance Rights issued under this Prospectus. However, the Company will apply for quotation of the Shares issued on exercise or conversion of those Securities.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of the Original Prospectus, or such period as varied by the ASIC, the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

4.10 Issue

Subject to the Minimum Subscription to the Public Offer being reached (see Section 4.4 above) and ASX granting conditional approval for the Company to be admitted to the Official List, the issue of the Securities offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of the issued Shares in their sole discretion (in conjunction with the Lead Manager).

The Directors reserve the right to reject any application or to allocate any Applicant fewer Shares than the number applied for.

Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

4.11 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Securities or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

4.12 US securities law matters

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the US. In particular, the Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **US Securities Act**), and may not be offered or sold in the US or to, or for the account or benefit of US Persons (as defined in Regulation S under the US Securities Act) or an exemption is available from the registration requirements of the US Securities Act.

Each Applicant will be taken to have represented, warranted and agreed as follows:

- (a) it understands that the Securities have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in the US, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;
- (b) it is not in the US;
- (c) it has not and will not send this Prospectus or any other material relating to the Offers to any person in the US; and
- (d) it will not offer or sell the Securities in the US or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which the Shares are offered and sold.

Each Applicant under the Public Offer will be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

4.13 Conditional Offers

The Offers are conditional on the Acquisition Agreement becoming unconditional (**Condition**). If this Condition is not satisfied, the Acquisitions and the Offers will not proceed. Securities issued under this Prospectus will be issued on the date of Settlement of the Acquisition. In this regard, if Settlement does not occur, no Securities will be issued pursuant to this Prospectus.

4.14 Discretion regarding the Offers

The Company reserves the right not to proceed with the Offers at any time before the issue of Securities to successful Applicants. If the Offers, or any part of them, do not proceed, all relevant application monies will be refunded. No interest will be paid on any application monies refunded as a result of the withdrawal of the Offers.

The Company and the Lead Manager also reserve the right to close the Offers or any part of them early, extend the Offers or any part of them, accept late applications or bids either generally or in particular cases, reject any application or bid, or allocate to any Applicant or bidder fewer Securities than applied or bid for.

4.15 Public Offer Not Underwritten

The Public Offer is not underwritten.

4.16 Lead Manager

The Company has appointed Canaccord Genuity Patersons Limited (ACN 008 896 311) (AFSL 239052) (**Lead Manager** or **Canaccord Genuity**) as lead manager to the Public Offer. The Company will pay Canaccord Genuity the following in consideration for its role as Lead Manager:

- (a) a lead manager fee of 2% of the proceeds raised under the Public Offer; and
- (b) a selling fee of 3% of the proceeds raised under the Public Offer by investors introduced by Canaccord Genuity (**Selling Fee**).

The Company has also agreed to Pay to Canaccord Genuity a retainer of \$12,500 per month for a minimum of 12 months following the date of the Mandate (being the period expiring on 18 October 2020) and to reimburse Canaccord Genuity for expenses reasonably incurred in respect of the Public Offer (including legal fees). Any single expenditure item in excess of \$2,000 shall be subject to prior approval from the Company.

The Company has agreed to offer Canaccord Genuity the lead role in any further equity capital raisings undertaken in connection with the Company within 12 months the date of the Mandate (Exclusivity Period), subject to competitive terms relative to market practices at the time. If during the Exclusive Period, the Company issues any equity or debt interest to any party that was introduced to the Company by Canaccord Genuity, the Company must pay the Selling Fee to Canaccord Genuity (together with any applicable GST). A summary of the material terms of the Lead Manager Mandate is set out in Section 10.1.1.

4. Details of the Offers

4.17 Advisor Securities

The Company has agreed to issue the following Securities to third party advisors that have provided advice to the Company in connection with the Acquisitions and proposed listing on the ASX:

- (a) 2,875,000 Shares (**Advisor Shares**); and
 - (b) in the event that:
 - (i) the Minimum Subscription is raised: 2,593,333 Options; and
 - (ii) the Maximum Subscription is raised: 2,793,333 Options,
(**Advisor Options**),
- (together, the **Advisor Securities**).

The final allocation of the Advisor Securities is yet to be determined and will be allocated on the basis of work done prior to the issue of Securities under the Prospectus.

It is anticipated that the recipients of Advisor Securities will include Sandton Capital Pty Ltd, Malahide Management Pty Ltd and Risely Resources Pty Ltd, none of whom are related parties of the Company, with the maximum number of Advisor Securities they may receive still yet to be determined. The final breakdown of Advisor Securities to be issued and the recipients of the Advisor Securities will be determined between the Company, the Lead Manager and the parties referred to above.

4.18 Commissions payable

The Company reserves the right to pay a commission of up to 5% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

The Lead Manager will be responsible for paying all commission that they and the Company agree with any other licensed securities dealers or Australian financial services licensees out of the fees paid by the Company to the Lead Manager under the Lead Manager Mandate.

4.19 Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent professional taxation and financial advice about the consequences of acquiring and disposing of Shares from a taxation viewpoint and generally.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential Applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus or the reliance of any Applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by Applicants on the acquisition of Securities under the Offers.

4.20 Enquiries

Any questions concerning the Company, or the Offers, should be directed to the Company Secretary at +61 3 9191 0135.

5. Industry Overview

5. Industry Overview

5.1 Background

The OL Group develops and operates an online education platform (**OL Platform**) on a software-as-a-service (**SaaS**) business model whose primary customers are education providers based in Australia and South-East Asia (primarily Malaysia).

The OL Group considers education providers (**Providers**) to be companies and organisations that operate in the following sectors (**Target Industries**):

- (a) universities and other higher education;
- (b) vocational education and training;
- (c) industry and member-based associations; and
- (d) corporate training and continuing professional development.

The OL Platform enables education providers to design and deliver any type of accredited or unaccredited, online or blended education programs (**Courses**), including:

- (a) massive open online courses (**MOOCs**);
- (b) private or paid courses (**Short Courses**);
- (c) undergraduate or postgraduate degrees (**Degrees**);
- (d) micro-credentials and micro-learning (**MC/ML**);
- (e) continuing professional development (**CPD**); and
- (f) vocational education and training programs (**VETs**).

Summaries of these Courses are set out in Section 6.5.

The OL Platform can be utilised by Providers globally, however, OL Group has initially focused on two key markets with localised customer support, pricing and learning services, Australia and Malaysia (**Primary Markets**). In the first half of the financial year ending 31 December 2019, revenue from the Primary Markets made up 93.86% of OL Group's revenue. OL Group has attracted education providers in other markets despite a lack of targeted marketing, including Singapore, United States, United Kingdom and Canada (**Secondary Markets**), with 6.14% of its revenue derived from Secondary Markets.

While OL Group expects to attract clients around the world, this Section will only provide an overview of OL Group's Target Industries in its Primary Markets.

5.2 Providers and Target Industries

OL Group primarily operates in Australia, one of the world's leading higher education markets, and in Malaysia, one of the largest source countries for international students and an emerging higher education hub with a substantial number of Australian and United Kingdom branch campuses.

	Australia (2018)			Malaysia (2014) ²	
	# of Providers	# of Learners	Estimated Market Revenue	# of Providers	# of Learners
University and Other Higher Education ³	176	1.48 million	\$37.9 billion		
Technical and Vocational Education and Training ⁴	4,675	4.06 million	\$9 billion ⁵	672	1.3 million

OL Group's immediate strategy post-listing will be to focus primarily on marketing to Universities and Other Higher Education Providers, and Technical and Vocational Education and Training providers. OL Group considers that this will provide the most benefit to Shareholders as the OL Platform is already utilised by Providers in these markets and the OL Group enjoys greater brand awareness than in other markets.

OL Group also considered that there is also a significant market of corporate training/professional development providers and industry associations that service learners in particular fields. OL Group will also seek to engage with Providers in these markets.

2. https://www.kooperation-international.de/uploads/media/3_Malaysia_Education_Blueprint_2015-2025_Higher_Education_.pdf

3. <https://www.teqsa.gov.au/latest-news/publications/statistics-report-teqsa-registered-higher-education-providers-2018>

4. https://www.ncver.edu.au/_data/assets/pdf_file/0031/6925090/Total-VET-students-and-courses-2018.pdf

5. <https://www.ibisworld.com.au/industry-trends/market-research-reports/education-training/technical-vocational-education-training.html>

5.3 Key Competitors

The range of use-cases supported by the OL Platform results in OL Group indirectly competing with platforms and education technology vendors in multiple sectors, potentially disrupting traditional software and services businesses, including:

- (a) MOOC platforms;
- (b) learning managing systems (**LMS**); and
- (c) online program management/enablement (**OPM/OPE**) companies.

OL Group believes that its closest competitors are other MOOC platforms, however, it is not aware of any of the major platforms in that category providing exactly the same type of online learning platform on a software-as-a-service model with an inbuilt global education marketplace.

5.3.1 MOOC Platforms

OL Group views MOOC platforms as its primary indirect competitor. OL Group's primary competitors offering MOOC platforms are Coursera, Udacity, EdX and FutureLearn.

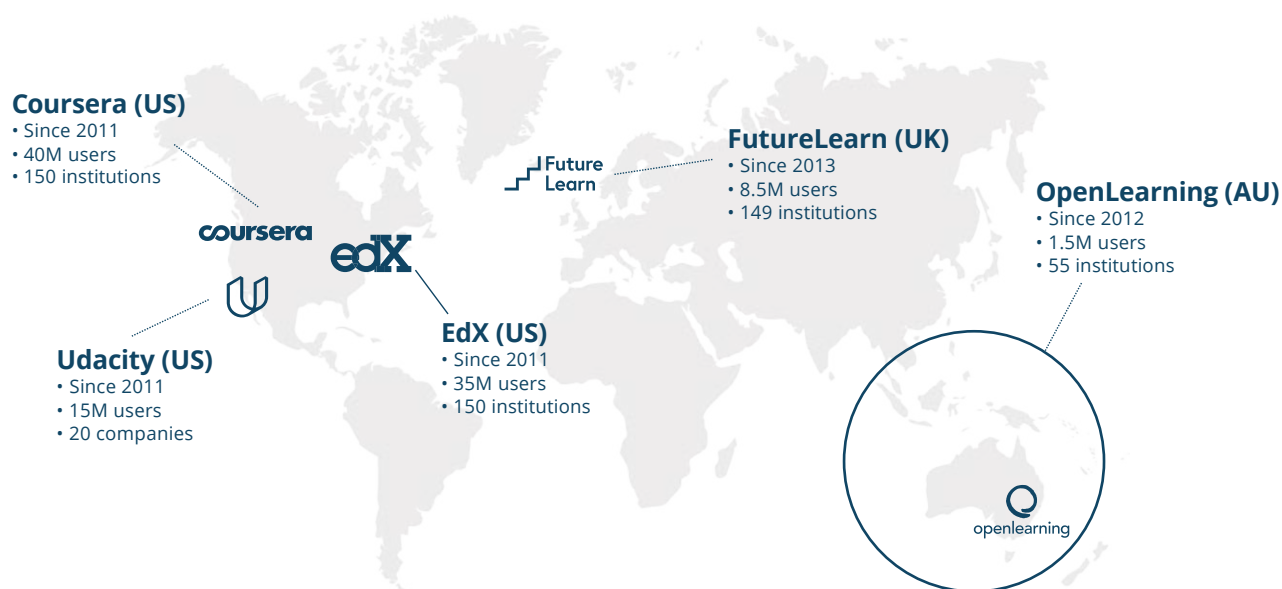


Figure 1 – Estimated Size and Location of MOOC platform competitors⁶

MOOC platforms generally operate on a revenue share model for select top-tier universities whereby revenue generated from courses and degrees is shared between the platform and the education provider.⁷ OL Group operated a similar revenue share model between 2012 and 2017 but has since transitioned to a SaaS model while maintaining its consumer facing brand and website to enable its clients to reduce their cost of acquisition for students.

6. Statistics for each MOOC platform are based on OL Group's internal estimates.

7. <https://www.classcentral.com/report/coursera-monetization-revenues/>

5. Industry Overview

OL Group differentiates itself from its competitors by its business model (SaaS rather than revenue share), platform design, functionality and geography:

	OpenLearning	Coursera	Udacity	EdX	FutureLearn
Headquarters	Australia	United States	United States	United States	United Kingdom
Product Category	Platform Provider	Education Provider	Education Provider	Education Provider	Education Provider
Education Provider Partner Criteria	Non-exclusive Available to all education providers globally	Exclusive, Selected companies Primarily top 100 ranked research universities	Exclusive, Selected companies No longer partners with universities	Exclusive Primarily top 500 ranked research universities	Exclusive Primarily top 500 ranked research universities
Primary Business Model	SaaS	Revenue share	Revenue share	Revenue share	Revenue share
Educational Philosophy	Active learning, project-based, peer-to-peer learning	Passive learning, videos	Passive learning, videos	Passive learning, videos	Passive learning, discussion

The number of Providers utilising MOOC platforms in the University and other higher education sector in OL Group's Primary Markets are:

	OpenLearning	Coursera	Udacity	EdX	FutureLearn
Australia (out of 176 Providers)	10	5	1	4	9
Malaysia (out of 124 Providers)	16	0	0	0	1

The partnerships between education providers and MOOC platforms are typically non-exclusive, and if exclusivity arrangements do exist, they only cover particular courses or degrees. Therefore, universities in particular will often partner with multiple MOOC platforms depending on the type of course, its target market and their preferred educational philosophy.

The barriers to entry in the MOOC platform market are significant. These include:

- (a) the cost of developing a differentiated, scalable, cloud based, online education platform;
- (b) establishing a consumer marketplace for MOOCs;
- (c) establishing a large user-base to gain economies of scale;
- (d) building credibility with top tier universities;
- (e) experience in the higher education sector; and
- (f) capability to work with and support universities.

Due to these barriers to entry, there have been no significant new entrants to the market in the past few years.

5.3.2 Learning Management Systems

LMSs have existed since the 1990s and they are used by Providers around the world to allow students and teachers to upload and download content, manage assessments and manage student data. There are a substantial number of LMSs in the market and the largest platform providers in the sector include Blackboard, Moodle and Instructure Canvas.⁸

LMSs are different from MOOC platforms in that they operate an enterprise SaaS model whereby education providers would typically have their own instance of the software with an isolated database/hosting environment and without the ability to share accounts or content across institutions or marketplaces.

OL Group's experience indicates that LMSs are large and complex systems that include a range of administrative and student management features that are designed around the needs of large education providers. A number of leading LMSs are open source and therefore they provide education providers with the ability to customise the software, this customisation may increase the total cost of ownership and make it difficult for education providers to keep their LMS software up to date.

LMSs are heavily entrenched at most large education providers around the world and were largely designed to support on-campus students in accredited courses, therefore the cost of deploying and maintaining an LMS can be substantial.⁹ The cost structure of an LMS and the scalability of the technology has meant that it is rare for an education provider to deliver free or low-cost, large scale courses through an LMS.

This gap in the market has led to the rapid adoption of MOOC platforms by education providers that already have an LMS. Education providers have also started using MOOC platforms to deliver both accredited and unaccredited course by either bypassing the LMS entirely or integrating with the LMS through standards such as LTI (Learning Tools Interoperability)¹⁰ for the purposes of single-sign-on and the transfer of data between platforms.

OL Group believes that education providers around the world are now looking to deliver lower cost, online courses through MOOC platforms due to the lower operating cost of these platforms on a per student basis, scalability of the technology and their consumer-orientated rather than enterprise orientated design.

OL Group's view is that the OL Platform will increasingly compete with LMSs in small education providers, particularly in emerging markets, while complimenting LMSs at large education providers where an LMS is heavily entrenched by utilising LTI and application programming interfaces (APIs).

5.3.3 Online Program Management/Enablement (OPM/OPE)

Companies operating in the OPM/OPE sector provide a package of services to universities on a variety of business models for the purpose of delivering accredited online degree programs. The largest companies in the sector operate on a revenue share model whereby they invest in program design, content development, student recruitment and program delivery while the university partner provides subject matter expertise and certification.

The OPM/OPE market is currently concentrated in the US and Australia, however it is growing quickly and the products and services developed in the sector will be deployed in other countries as the online degree market expands.

However, the capital intensive nature of the revenue share model has resulted in a range of new entrants that provide a portion of the solution on a fee-for-service basis or that leverage technology or marketplaces to reduce the cost of acquisition and program delivery.

The two types of OPM/OPE businesses each face their own challenges:

Revenue share	High upfront setup costs, increasing competition and long payback periods limits scalability.
Fee-for-service	budget constraints at education providers and no recurring revenue limits scalability.

8. <https://www.tonybates.ca/2018/07/15/is-blackboard-dying-the-latest-instalment-in-lms-wars/>

9. <https://elearningindustry.com/true-cost-of-a-learning-management-system>

10. <https://www.imsglobal.org/activity/learning-tools-interoperability>

5. Industry Overview

OL Group addresses these challenges by:

- packaging its solution (OL Platform, Design Services and OL Marketplace) for university partners on a combined SaaS and fee-for-service basis, where applicable;
- building capability in staff at education providers to fully utilise the OL Platform through an onboarding, training and support ecosystem (DIY model); and
- developing functionality in the OL Platform that enables end-to-end online education authoring and delivery without depending on high cost enterprise IT systems.

OL Group has experimented with a revenue share model for online degrees in Malaysia and determined that the upfront investment required, and payback period, are less appealing and less scalable than a SaaS, fee-for-service and capability development model.

The nature of OL Group's vertically integrated solution places it in the same category as the world's largest online education platforms by global education research consultancy HolonIQ¹¹:



Figure 2 – Categorisation of online education platforms

Within the 'MOOC as OPM' category, the OL Platform is the only platform that operates an SaaS model, is available to any education provider or company in the world (non-exclusive) and that has offices in Australia and South East Asia to provide localised support.

11. <https://www.holoniq.com/notes/opm-meet-opx-new-models-driving-the-global-online-higher-education-market/>

6. Company Overview

6. Company Overview

6.1 Background

OL Group commenced operations in Australia in 2012, with an expansion into the South-East Asian market (primarily Malaysia) commencing in 2015. OL Group initially provided its platform for free to institutions and the general public and generated revenue from learning design services. In September 2017, OL Group restructured its operations and monetisation strategy to operate as a software as a service (**SaaS**) business whereby it would charge annual license, support and hosting fees for its platform to education providers worldwide.

The OL Group continues to develop and operate its proprietary global cloud online learning platform (**OL Platform**), which enables education providers to design and deliver both accredited and non-accredited courses, micro-credentials and degrees. OL Group derives revenue through:

- (a) operating the OL Platform as an SaaS;
- (b) offering learning design services to education providers that utilise the OL Platform (**Design Services**); and
- (c) student acquisition for course delivered on the OL Platform (**OL Marketplace**).

OL Group has iteratively developed, deployed and tested its approach, model and technology over the past 7 years in high-income and emerging markets, with a diverse range of education providers, including top-ranked universities in Australia, training providers in the United States and government departments in Malaysia.

Since incorporation, the OL Group, through the OL Platform, has enabled education providers to deliver over 7,953 online Courses to over 1.65 million registered users in 165 countries. OL Group is now executing the next phase of its strategy, scaling SaaS revenue by leveraging its brand, data and partnerships to achieve first of its kind network effects for a SaaS business.

6.2 The Objectives

Following completion of the Acquisitions, OL Group aims to:

- (a) **Achieve profitability through growth:** rapidly increase recurring revenue by acquiring new customers and increasing usage with existing customers to achieve profitability;
- (b) **increase brand awareness:** maintain and expand on market leading positions in Australia and Malaysia; and
- (c) **optimise online customer acquisition:** develop and grow online sales, marketing and onboarding capability to acquire education providers outside of existing markets.

6.3 Key Investment Highlights

The key highlights of an investment in the Company include:

- (a) a fully operational online education platform with university and government SaaS customers in Australia, Malaysia and overseas;
- (b) a market leading, lifelong learning platform in Australia and Malaysia by users and education providers;
- (c) an addressable market of 13,364 education providers in Australia, 3,666 in Malaysia and organic customer growth in Southeast Asia, the United States and United Kingdom;
- (d) an online learning platform with 1.65 million registered users worldwide, of which 435,873 have accessed a Course between 1 October 2018 and 30 September 2019;
- (e) grown from 6 to 55 business to business SaaS clients from 31 March 2018 to 30 September 2019;
- (f) 70% of revenue derived from Providers in Australia, with the remaining 30% overseas, primarily in Malaysia; and
- (g) SaaS annualised recurring revenue of approximately A\$790,000 for September 2019 (unaudited), up 82% year on year, with A\$402,000 revenue actually received in September 2019 (unaudited) across OL Platform (SaaS), Design Services and OL Marketplace segments.

6.4 Business Model

OL Group generates revenue from providing the OL Platform as a SaaS to Providers and through add-ons including its Design Services and OL Marketplace.

6.4.1 OL Platform SaaS

The OL Platform is made available to Providers, who offer Courses to learners through the OL Platform, on a usage-based tiered pricing model that aligns to the value created for OL Group's customers in its Primary Markets. The pricing below may vary based on the individual clients needs and requirements.

(a) Australia

Pricing tiers	Personal	Team ¹²	Institution	Enterprise
Customer profile	Online trainer Teacher Lecturer	CPD provider Internal corporate training	Vocational college Private higher education provider	University Large corporate Government
Maximum number of learners	250	500	1,000	5,000
Number of educators	1	5	unlimited	unlimited
Starting Annual Recurring Fee for the # of Learners or Educators above (inc GST)¹³	A\$600/year ¹⁴	A\$2,400/year	A\$9,900/year	A\$26,400/year (tiered pricing available for larger deployments)
Value-added Services	N/A	Training Workshops	Training workshops Learning design (from \$1,100/day) Marketing (% of student fees) Tailored onboarding	Training workshops Learning design (from \$1,100/day) Marketing (% of student fees) Tailored onboarding
Number of Providers subscribed since SaaS model implemented	91	0	9	10
Number of Providers that are subscribed as at 30 September 2019	76	0	9	10

12. OL Group intends to introduce the team plan in November 2019.

13. Some customers may pay less than the published starting price depending on the nature of their agreement with OL Group.

14. OL Group is in the process of increasing the annual subscription fee from A\$190/year to A\$600/year by year-end. Anyone who subscribes prior to the price increase would continue to pay approximately A\$190/year until they unsubscribe.

6. Company Overview

(b) Malaysia

Pricing tiers	Personal	Institution	Enterprise/Government
Customer profile	Online trainer Teacher Lecturer	University Vocational college Education provider	Large corporate Government Industry association
Maximum number of learners	250	unlimited	5,000
Number of educators	1	25	Unlimited
Starting Annual Recurring Fee for the # of Learners or Educators above	RM1,000/year ¹⁵	RM12,000/year	RM48,000/year (tiered pricing available for larger deployments)
Value-added Services	N/A	Training workshops Tailored onboarding	Training workshops Tailored onboarding
Number of Providers subscribed since SaaS model implemented	177	33	2
Number of Providers that are subscribed as at 30 September 2019	115	29	2

In addition to the above, 371 educators subscribed to the Personal plan and 6 Providers subscribed to an institution or enterprise plan outside of the Primary Markets since the SaaS model was implemented, of which 273 personal subscribers and 5 institution/enterprise subscribers are subscribed as of 30 September 2019. Subscribers to the Personal plan in Singapore are charged in SGD whereas subscribers outside Australia, Malaysia and Singapore are charged in USD.

OL Group introduced its B2B SaaS model for Providers in September 2017 with customer numbers increasing from 14 in September 2018 to 55 in September 2019, and the minimum contract duration is 1 year. OL Group introduced the Personal plan in March 2019 with no minimum contract duration and either monthly or annual payment terms.

As at 30 September 2019, OL Group has lost four B2B SaaS customers, which were in Malaysia and were a result of the customers defaulting on their payments due to financial difficulties. OL Group experienced a reduction in revenue at one Provider on the B2B SaaS model in Australia in January 2019 as a result of OL Group's strategy to standardising customer contracts onto the current usage-based SaaS model.

The OL Platform is designed to support self-service onboarding whereby a Provider can subscribe and pay online for the OL Platform on the Personal plan without contacting OL Group's customer success team or engaging it for Design Services. At present, Team plans require contact with OL Group's sales and partnerships team. However, OL Group's intention is to permit Providers to subscribe and pay online for this plan in the future.

Education providers who want to subscribe to the Institution or Enterprise/Government plans are required to contact OL Group's sales and partnerships team, sign a SaaS agreement (**Platform Agreement**) and go through an onboarding session with OL Group's training and onboarding team or purchase Design Services.

OL Group's standard Platform Agreement is structured as a multi-year institution-wide usage-based SaaS agreement with a work order that can be completed for Design Services or student recruitment through the OL Marketplace. A summary of the material terms of the Platform Agreement is set out in Section 10.3.1.

The fees payable by a Provider under the Platform Agreement are determined based on the number of educators from the Provider or the number of active learners enrolled in courses delivered by the Provider on the OL Platform.

OL Group also maintains a relationship with learners who enrol in Courses that are delivered by a Provider through the OL Platform. Students are required to agree to OL Group's standard terms of use and privacy policy before creating an account on the OL Platform.

15. OL Group is in the process of increasing the annual subscription fee from approximately RM390/year to RM1000/year by year-end. Anyone who subscribes prior to the price increase would continue to pay approximately RM390/year until they unsubscribe.

14,496 Courses have been offered by Providers through the OL Platform¹⁶ between 1 October 2016 and 30 September 2019, with 435,873 individual learners having accessed at least one Course¹⁷ between 1 October 2018 and 30 September 2019, and 7,953 Courses being delivered through the OL Platform¹⁸ between 1 October 2018 and 30 September 2019. In total, 1,231,623 individual learners have undertaken at least one Course on the OL Platform since inception.

A detailed summary with respect to the OL Platform is set out in Section 6.5 below.

6.4.2 Design Services

OL Group's learning services division is made up of experienced learning designers and multimedia producers who redesign the course materials provided by Providers into Courses on the OL Platform that follow OL Group's educational philosophy. OL Group offered Design Services in Malaysia up until 30 June 2019, at which point it retrenched the team and no longer offer such services to Malaysian Providers.

OL Group generates professional services revenue through its Design Services by undertaking learning design projects on daily, hourly or fixed price arrangement. OL Group has provided Design Services to a range of Providers, including universities, government and corporates, for both accredited and unaccredited Courses. In some cases, OL Group will provide the Design Services to a Provider for no upfront cost in exchange for a share of revenue generated from the Course.

OL Group determines the price of a Design Services project through a scoping exercise whereby OL Group's learning designers review the course materials, interview the subject matter expert and consider the outcomes the Provider wants to achieve. OL Group will then estimate the time required for its learning designers and multimedia producers to design the Course. OL Group's current standard price for learning design is A\$1,100/day (inc GST) and multimedia production is A\$1,375/day (inc GST).

OL Group believes that its expertise is in designing student learning experiences that are social, active and engaging. OL Group's learning designers implement a collaborative course design process that guides subject matter experts through transitioning their Courses online with the dual goals of delivering the project and upskilling the Provider.

OL Group has assisted with the design of 288 Courses since inception, of which 192 were offered in the past 12 months. In the 12 months to 30 September 2019, 25 Providers have utilised the Design Services. OL Group's experience is that Providers utilise the Design Services for specific projects that range from MOOCs to accredited online degree courses and for training their existing learner designers or lecturers.

Once the learning design process is complete, OL Group's learning designers may provide training, ongoing support and recommendations.

6.4.3 OL Marketplace

The OL Marketplace contains all publicly accessible Courses that are delivered via the OL Platform and that pass OL Group's course quality guidelines¹⁹, which ensures that all Courses being promoted to students in association with OL Group's brand are of a high standard and in-line with OL Group's educational philosophy²⁰.

OL Group monetises the OL Marketplace in two ways:

- (a) **Directly:** OL Group may receive a percentage of revenue from courses sold through the OL Platform, the percentage ranges from 0% for B2B SaaS customers to up to 65% for courses where OL Group has provided Design Services on a revenue share basis; and
- (b) **Indirectly:** increasing the number of enrolments in Courses delivered via the OL Platform may lead to higher SaaS revenue from Providers in the event that the SaaS fees paid by the Provider are determined based on the number of learners that are taking the Provider's course via the OL Platform.

OL Group regularly promotes Courses to its userbase and views the OL Marketplace as a key differentiator and a selling point for education providers who are looking to increase their brand awareness and acquire new students.

16. Courses that were launched (educator or education provider created the course and published it for students to enrol) on the OL Platform during the period specified.

17. Users who accessed a page in a Course on the OL Platform during the specified period.

18. Courses that were accessed by users on the OL Platform at least 10 times in aggregate between the period specified.

19. OL Group's course quality guidelines are revised from time to time and are available here: <https://help.openlearning.com/t/x1j3na/3-the-course-quality-criteria>

20. OL Group's learning philosophy is revised from time to time and is available here: <https://solutions.openlearning.com/learning-philosophy/>

6. Company Overview

6.5 OL Platform overview

6.5.1 Delivery of Courses

Generally, when a Provider decides to deliver online or blended Courses, they may procure a range of products and services from multiple companies, requiring substantial investment and time, resulting in a long payback period and potentially significant execution risk.

The OL Platform is a vertically integrated online education platform that enables end-to-end education delivery, from student acquisition and payment, through to assessment and certification, within a global multitenant cloud platform. It is a turn-key solution for higher education providers to move their core business online.

OL Group initially focused on enabling universities to deliver freely accessible unaccredited short-format online courses and has since expanded its functionality and capability to enable education providers of any size to deliver Courses to any number of students – from Small Courses with 10 students to MOOCs with 100,000 students. The OL Platform enables Providers to design and deliver any type of Course, including:

Course Type	Summary
Massive open online courses (MOOCs)	Globally scalable, cloud based, online education platforms with a consumer facing brand and website that are utilised for promoting and delivering online courses and degrees in partnership with universities, enterprise and governments.
Private or paid courses (Short Courses)	Short courses developed by various Providers for specific skills or knowledge.
Undergraduate and post-graduate degrees (Degrees)	Formal academic recognition offered by universities and colleges.
Micro-credentials/micro-learning (MC/ML)	Certification-style qualifications that individuals choose to study to improve a skill found in a particular industry area. They are often short, low-cost courses that provide learners with a digital certification or a 'digital badge' when complete. In October 2019, The Australian Qualifications Framework (AQF) has adopted the definition of micro-credentials put forward by Deakin University, "A micro-credential is a certification of assessed learning that is additional, alternative, complementary to or a component part of a formal qualification." ²¹
Continuing professional development (CPDs)	Courses offered to persons in a specific industry to ensure they are continuously up to date with the evolving requirements of their professions. CPDs can be required for certain professions (such as lawyers) or can be offered for students to increase their proficiency in a particular field.
Vocational education and training certificates and degrees (VETs)	VETs enable students to gain qualifications for all types of employment, and specific skills to help them in the workplace. The providers of VET include technical and further education institutes, adult and community education providers and agricultural colleges, as well as private providers, community organisations, industry skill centres, and commercial and enterprise training providers. In addition, some universities and schools provide VETs.

21. https://docs-edu.govcms.gov.au/system/files/doc/other/aqf_review_2019_0.pdf

The OL Platform has the proven capability to deliver accredited and non-accredited courses in either a self-paced or cohort-based mode. The mixed-media nature of the OL Platform caters to a variety of learning styles, including not only video and visual media but also interactive media and peer feedback, which drives decision-making and scenario-based experiences.

The OL Platform enables learning as social construction, focusses on building interactions between learners and the online environment, and sets up the opportunity for collaboration and co-construction of knowledge. This moves beyond conventional approaches, where learning is often an individual and entirely corrective endeavour, towards an active, project-based approach learning.

The OL Platform's end-to-end education delivery functionality, includes:

- (a) authoring environment for the creation of Courses, content and activities;
- (b) delivery of content and activities to students;
- (c) student engagement through a social media environment, under which students can be permitted to undertake peer reviews and comment on other students' submissions;
- (d) support for project-based learning activities;
- (e) provision of a facilitation environment for student support;
- (f) automated/manual outcome based assessment system;
- (g) automatically generated portfolio for every student;
- (h) automated/manual certification upon completion of Courses; and
- (i) learning analytics to enable continuous improvement.

Course operators are also able to monitor course activity throughout the process, communicate with students through the OL Platform and perform analysis of course delivery throughout the course to ensure that students are likely to meet the desired course learning outcomes.

The OL Platform supports multiple languages, including English, Chinese, Arabic, Malaysian and Indonesian.

6.5.2 Provider Experience

OL Group's SaaS product provides customers with a co-branded micro-site (**Institution Portal**) that runs within the OL Platform and provides administrative, marketing and analytics features.

The Institution Portal also acts as an entry point and promotional website for a Provider to market the Courses they deliver on the OL Platform. OL Group has iteratively improved the layout and functionality of the Institution Portal to optimise the conversion rate from a student browsing for a Course through to enrolment.

6. Company Overview

Let's create a world worth living in

About CSU Open

Charles Sturt University is the number one university in Australia for Graduate Employment, (Good Universities Guide 2018), and our degrees focus on teaching the skills and knowledge to further your professional career. Our Open Pathway experiences are a way for you to sample the kind of study Charles Sturt University provides, whatever the reason - general curiosity, professional development, or to dip a "toe in the water". Start your journey with a taste of what Charles Sturt has to offer, whether your focus is academic, professional or just personal interest.

Course Cards:

- An Introduction to Criminal and Community Justice** (317 Students) by Philip Birch
- Mastering Your Personal and Professional Growth** (1,206 Students) by Kerry Silverman
- Introduction to Ecotourism** (2,317 Students) by Jonathan Howard
- Ecotour Guiding: Keys to Success** (845 Students) by Jonathan Howard
- Health Coaching Fundamentals** (132 Students) by Amanda Moses
- Chronic conditions: Empowering Self-Management** (231 Students) by Amanda Moses
- Exploring Social Work and Human Services Career Paths** (808 Students) by Kristine Gerdtsch
- Get Ready, Get Set, Become a Digital Online Learner** (1,092 Students) by Julie Lindsay
- STRIVE Student Leadership Program** (780 Students) by Kerry Silverman

What To Expect

- Options and Opportunities that fit with your goals!**
Are you looking for career mobility, new skills, or perhaps some professional development? Are you wondering if university study is a pathway or option for you? Are you retired or semi-retired and fulfilling a personal goal to explore a subject of interest? Our short, modular format subjects, let you explore those options without a big commitment of time or money.
- You're in the Driver's Seat.**
So how would it be to get a little more focused. Why not explore our range of single subjects, and we are always, adding more! These courses allow you to study as you go, completing one module or a sector at a time. Want some feedback on how you're tracking with what you're learning? Sign up for the assessments at the end of each section. Successfully complete the assessment, obtain a certificate of completion and see how this can be the catalyst you need to start your degree, enhance your career prospects or just impress your friends and family!
- An Online Experience - Designed With You in Mind**
Our courses are all online, self-paced, and delivered on the OpenLearning Platform. Designed by subject matter experts in the area, there's a practical focus and lots of interactivity to help your learning journey. You won't be alone in the virtual world. You'll meet and engage with others travelling similar paths and sharing like goals.

Figure 3: Charles Sturt University's institution portal homepage featuring a range of courses that are delivered by Charles Sturt University via the OL Platform

The Provider has the ability to control which of their Courses are displayed on the Institution Portal without seeking approval from OL Group.

The OL Marketplace provides Providers with exposure to OL Group's user-base, organic web traffic and distribution partners, however, OL Group assesses every Course against its course quality guidelines to ensure that it is in-line with OL Group's education philosophy.

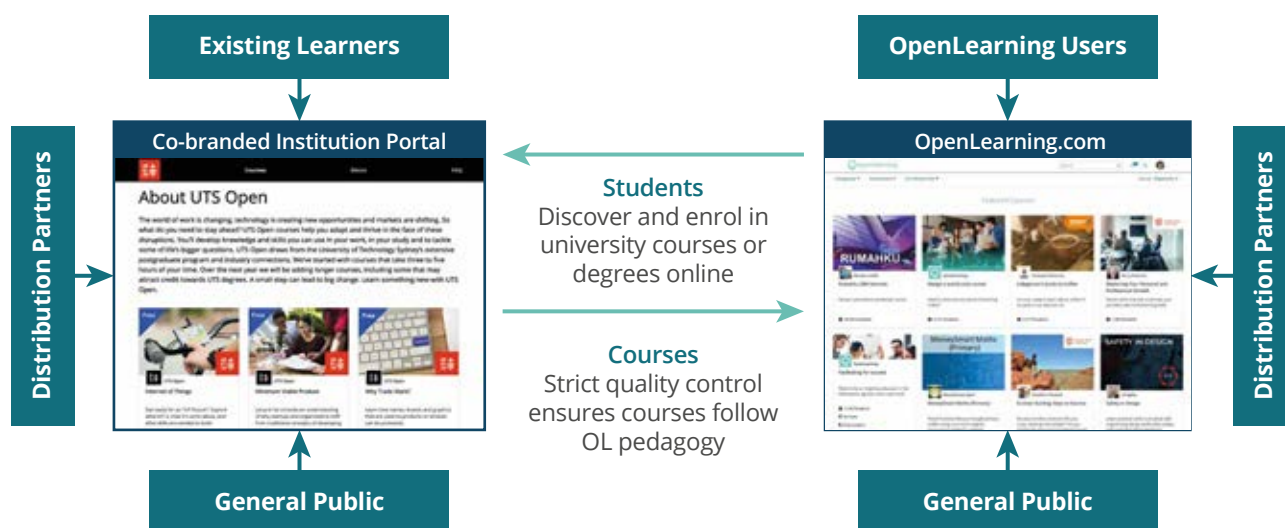


Figure 4 – Graphical Representation of OL Marketplace

OL Group believes that the ability for Providers to have their own Institution Portal while also having the ability gain exposure for their brand and Courses through the OL Marketplace gives Providers the 'best of both worlds'.

OL Group has the ability to provision new Institution Portals for customers on-demand in a nominal amount of time, and once provisioned, the Provider is able to administer the portal.

6.5.3 Educator Experience

The OL Platform provides gives Providers the tools necessary to structure and design their Course, author content, promote their Course to prospective students, deliver and facilitate the Course, assess students and issue certificates and/or micro-credentials.

OL Group has designed the OL Platform's user interface and authoring environment such that an educator is able to utilise all of the functionality of the OL Platform without any specialised IT or web programming knowledge.

6. Company Overview

The OL Platform has in-built onboarding, user guides and tips to assist Providers with setting up their Course. For example, when an educator first creates their course on the OL Platform, they will go through a setup checklist guiding them through the Course creation process, as shown below:

OpenLearning Search

Learning design basics: Pedagogy into practice

Administrator General Class

Your Progress

Setup Wizard

Step 1 Create your course Step 2 Promote your course Step 3 Listing on OpenLearning

Create your course

The Course Setup Wizard will guide you through the steps of building a great course.

As you create your course, go through the checklist below and click "Done" once you have completed an item. When you complete the full checklist and your course is ready, click the button at the end to turn your course online.

Want your course listed in the [OpenLearning Marketplace](#)?

Learn more about our [Course Quality Criteria](#) and review process [here](#).

Course Setup Checklist		
Appearance	More Info	Status
Upload a banner image for the course	The banner image displays the course title. It's best to use an image that relates to the course topic.	<input checked="" type="checkbox"/> Done
Upload a course thumbnail image	This will be displayed when your course is listed publicly.	<input checked="" type="checkbox"/> Done
Choose a background colour and a theme colour	Ideally, this will align with your brand colours if applicable.	<input checked="" type="checkbox"/> Done
Learning Design	More Info	Status
Write course learning outcomes	Course learning outcomes explain what students will be able to do by the end of the course. Use active verbs such as describe, identify, analyse, create, build, apply, design.	<input checked="" type="checkbox"/> Done
Create modules for the course	Use modules to sequence your course into a logical flow of topics.	<input checked="" type="checkbox"/> Done
Create pages within each module	Use pages to divide your module topic into smaller sections.	<input checked="" type="checkbox"/> Done
Add relevant resources, information and media to pages	You can include a range of resources, from videos, text, embedded articles and audio files.	<input type="checkbox"/> Done?
Add activities to pages	Use activities to get students to understand and apply what they are learning. Social activities like discussions and sharing are best! You	<input checked="" type="checkbox"/> Done

Figure 5 – View of OL Platform Setup Wizard from Educator Perspective

The OL Platform enables Providers to structure Courses as a series of modules that contain any number of pages. A page in the OL Platform is made up of widgets, which are flexible blocks that support a range of multimedia content, learning activities, third party plugins and collaborative tools.

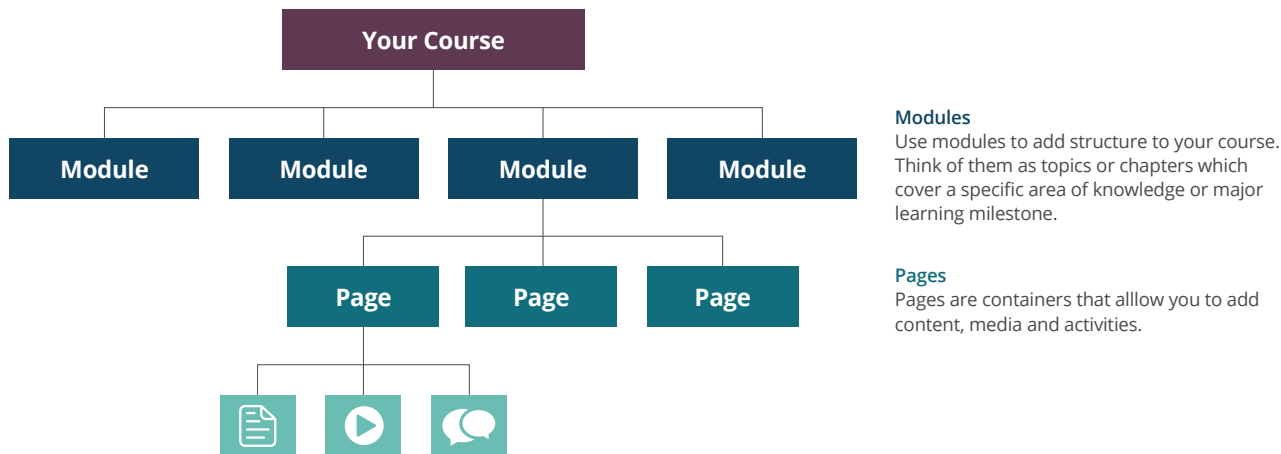


Figure 6: Breakdown of Collaborative Tools

Providers are provided with a drag and drop, ‘what you see is what you get’ editor to structure the modules and pages in their course.

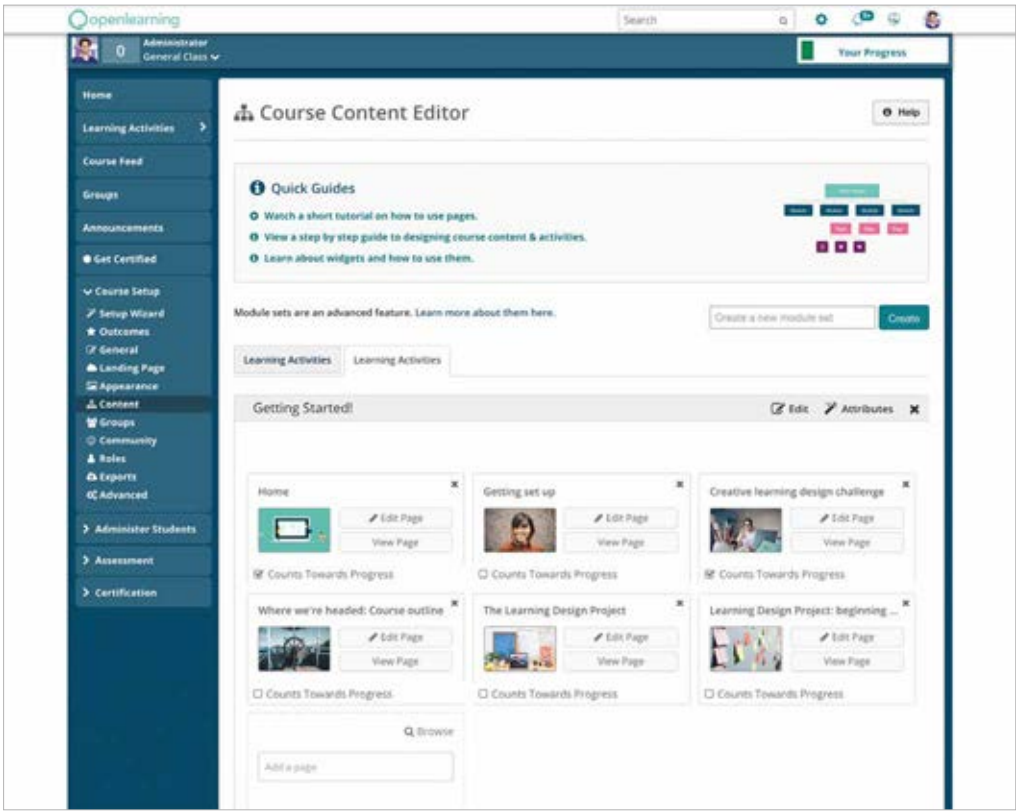


Figure 7: Course Content Editor

6. Company Overview

Providers are then able to create and edit pages through an intuitive drag-and-drop editor with a toolbox of widgets. The OL Platform contains a range of built-in widgets as well as the ability for educators to embed third-party plugins or for independent developers to create their own widgets.

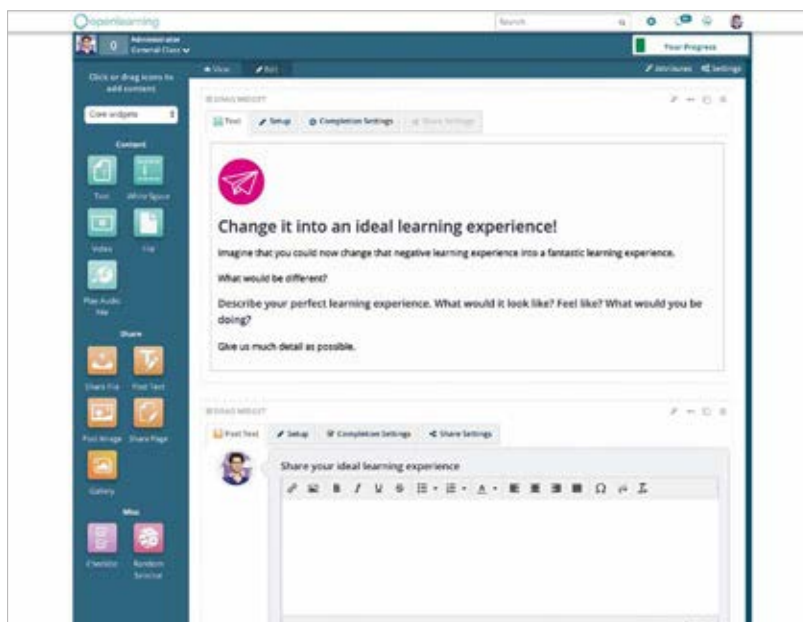


Figure 8: OL Platform Course Setup Process

The OL Platform tracks student progress on every widget and Providers are able to specify the criteria that students must satisfy before they are deemed to have 'completed' the widget. This could be as simple as viewing the widget (e.g. where the text/image widget is used) to reflecting on stimulus (e.g. where the sharing widget is used).

Educators have access to analytics and data about students in their courses as well as access to assessment and certification tools.

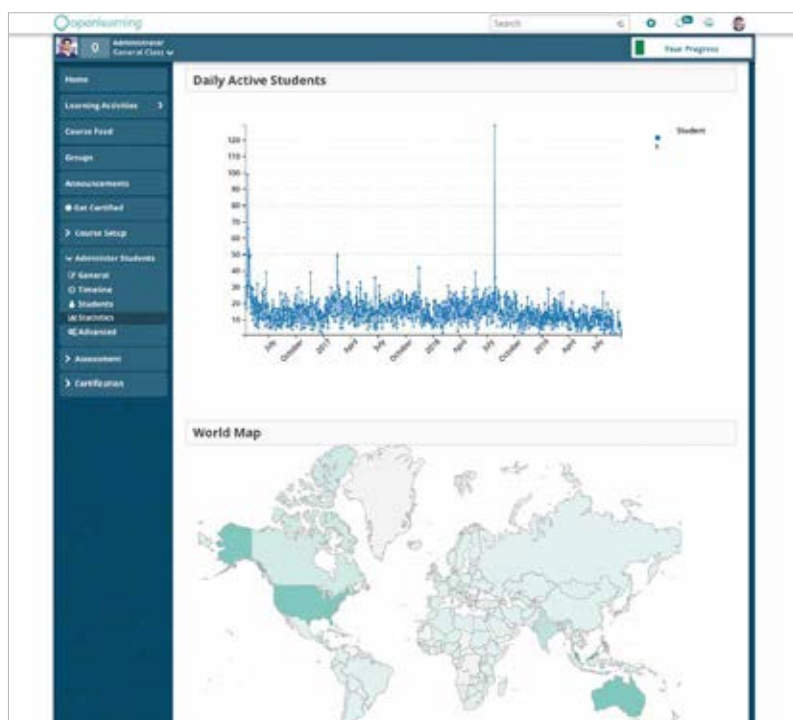


Figure 9: Example of Analytical Tools

6.5.4 Student Experience

The OL Platform allows students to discover, enrol, learn and get certified through courses delivered by Providers. The OL Marketplace (below) showcases the highest quality publicly accessible courses available on the OL Platform.

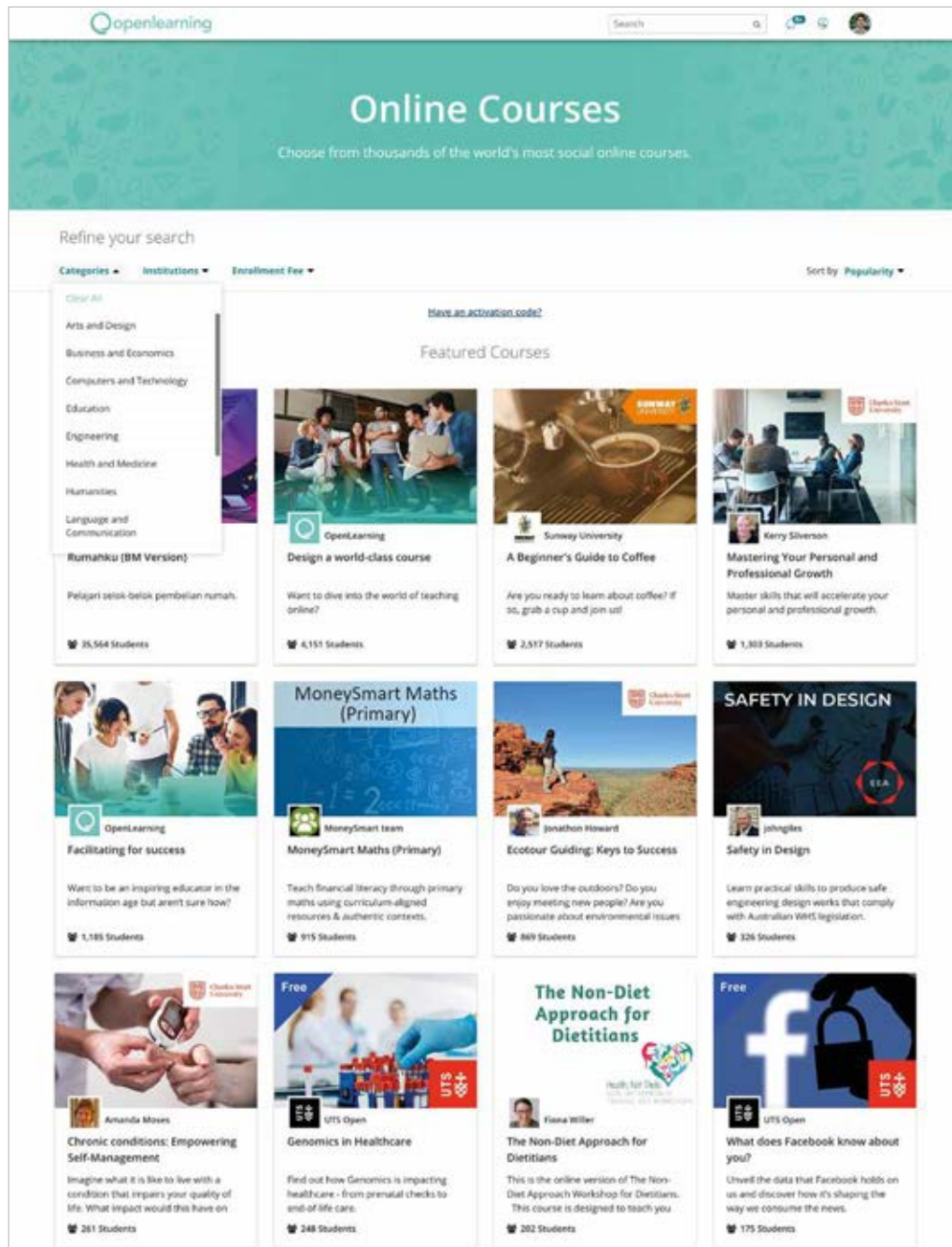


Figure 10: OL Marketplace

6. Company Overview

Students are able to enrol in a range of Courses, including free courses, courses that require payment upfront, and accredited degree programs whereby they may have to complete an application process at the Provider who is offering the Course.

The screenshot shows the 'Complete Your Purchase' page for the 'Safety in Design' course. The course description is 'Learn practical skills to produce safe engineering design works that comply with Australian WHS legislation.' The price is listed as A\$285.00. The payment method is 'Credit Card' (with Visa and Mastercard logos). The form fields include: Name on card, Card Number, Expiration Date (MM / YYYY), CVV, and Country (a dropdown menu). A 'Purchase' button is at the bottom right. There is also a 'PayPal' option at the bottom left.

Figure 11: Payment Landing Page

Inside a Course on the OL Platform, students are welcomed by a social-media style learning environment that combines activities, projects and peer-to-peer interaction.

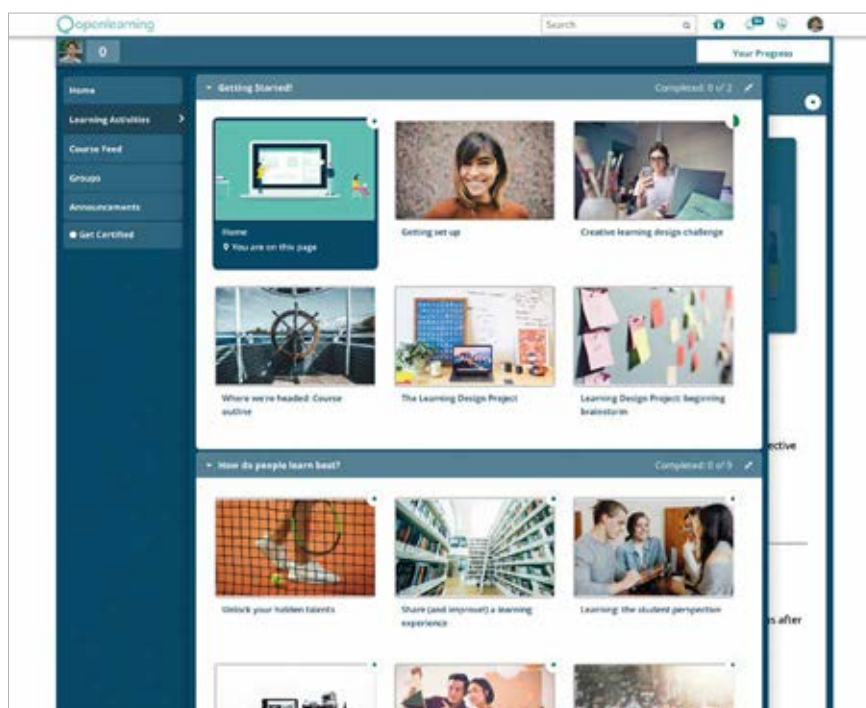


Figure 12: Student Welcome Page

The OL Platform takes an 'everywhere as a forum' approach to discussion, which ensures that conversations are anchored around content rather than being separated into a separate section of the OL Platform. This approach is more in line with modern web technologies (e.g. social media) and the expectations of students.

The OL Platform enables learning designers to construct activities that combine a variety of media, content sharing, reflection and student discussion threads within a single page, with the goal of providing a seamless peer-to-peer learning experience for students.

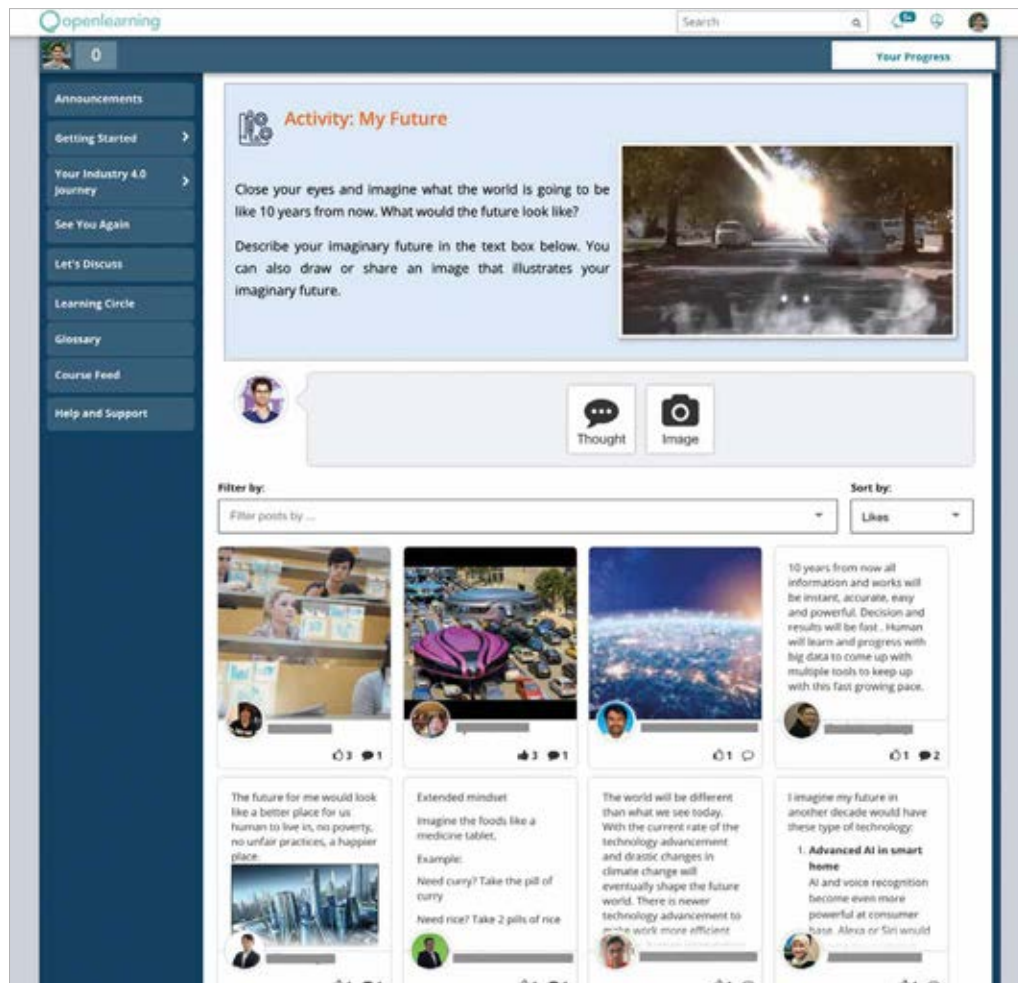


Figure 13: Example of Peer-to-Peer Learning

6. Company Overview

Students can keep track of their progress through the course on a desktop, tablet or a mobile device using the OL Platform's response website or native mobile apps for Android and iOS.

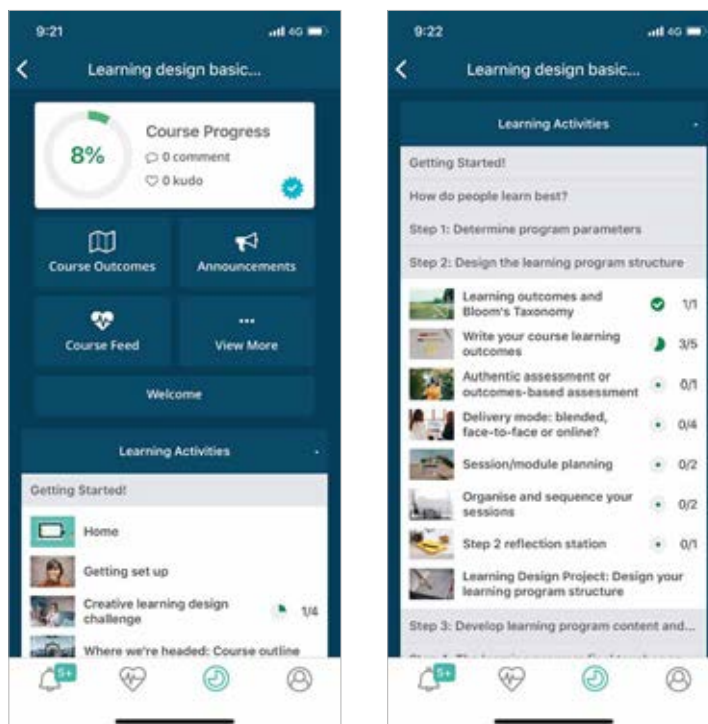


Figure 14: Mobile View of OL Platform

Every learner and educator that utilises the OL Platform is required to be registered for a user account. The user account includes a profile page that allows the user to showcase their personal experience, portfolio, Courses they've enrolled in or created, credentials they've earned and a blog. An example of a user's account is shown below.

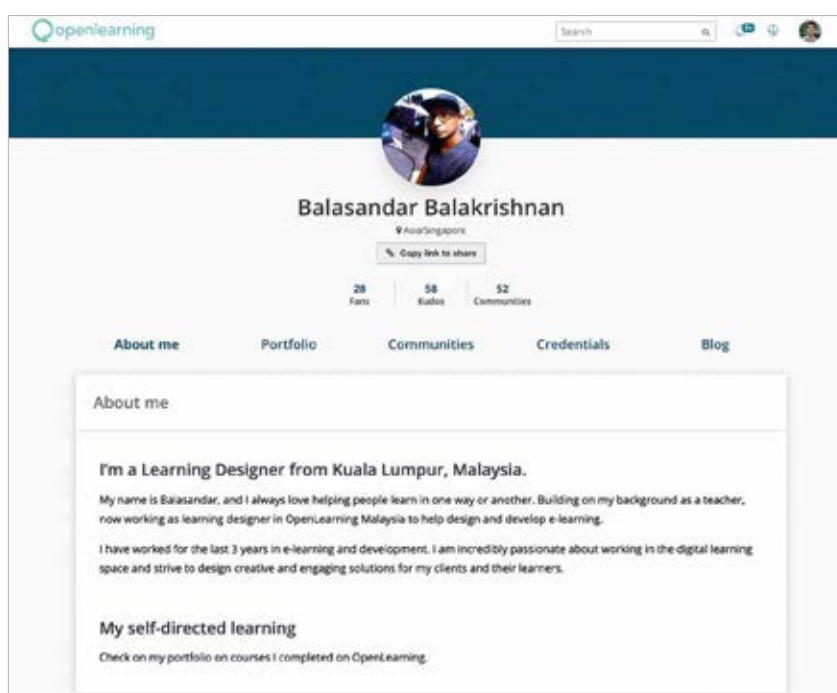


Figure 15: User Account Page

6.5.5 Network Effects

While the OL Platform primarily operates on a B2B2C model, whereby Providers are delivering their courses to learners via the OL Platform, a number of key design decisions enable the OL Platform to produce network effects. These include:

- (a) OL Platform is a global cloud platform whereby all Providers and learners use the same instance of the OL Platform;
- (b) maintaining a strong relationship with the end-consumer by ensuring that OL Group's logo is visible on every page;
- (c) every user, regardless of whether they arrive at the OL Platform through the OL Marketplace or via an Institution Portal, has an OpenLearning user account;
- (d) learners are able to browse the OL Marketplace and opt-in to receive information about new courses; and
- (e) every user has a profile on the OL Platform that automatically aggregates all of their evidence of learning into an online portfolio, as well as their badges, certificates and Course progress.

In short, an increase in the number of Providers on the OL Platform has the potential to lead to an increase in the number of Courses being delivered via the OL Platform to both new and existing learners. This increase in Courses and learners attracts new Providers to deliver their Courses on the OL Platform so that they can benefit from exposing their brand and Courses to the OL Platform's userbase.

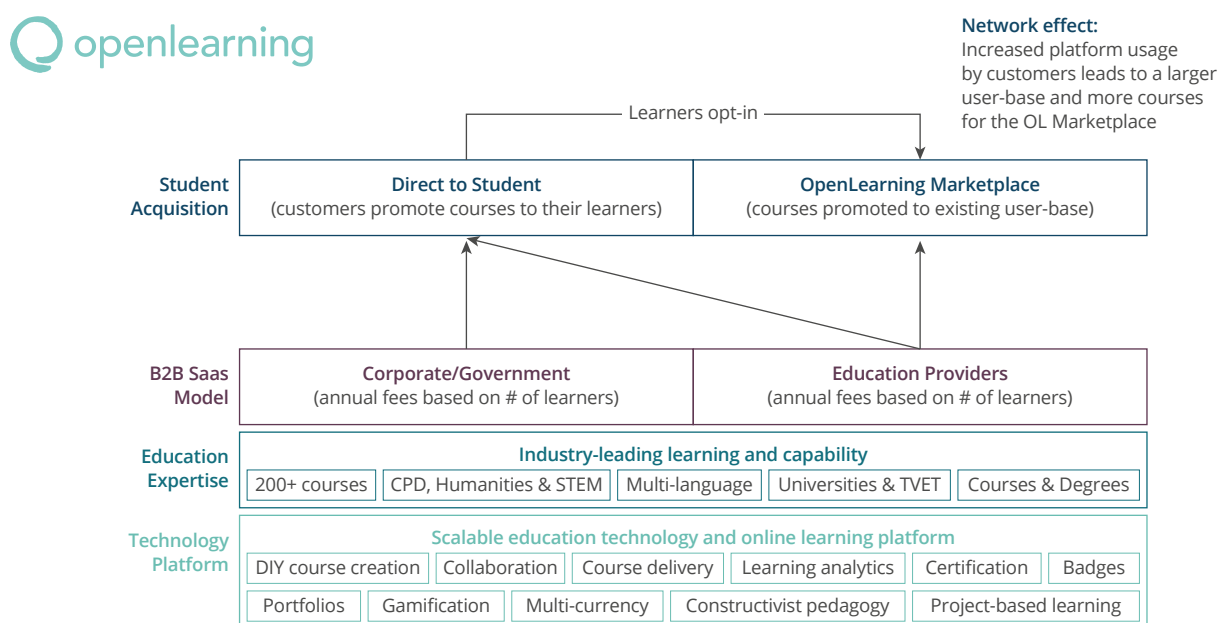


Figure 16: OL Platform's technology platform, education expertise and userbase are producing network effects

6.5.6 Education Philosophy

The OL Platform has been built from the ground up on solid educational foundations since its inception. The goal is to provide a social learning environment in which students feel empowered, deep learning experiences are fostered, students are intrinsically motivated, and passionate communities of practice flourish through well-designed constructive experiences. This has been realised with the latest social technology, and is designed for a global, connected society.

Additionally, OL Group sees itself an innovator in the field, and extends existing educational theory to not only the OL Platform mechanics, but by providing a launch pad for new academic research. OL Group works with educators, researchers and technologists in continual experiments with novel educational mechanics.

The educational philosophy, which governs the design of the OL Platform is based on the educational foundations of:

- (a) student empowerment to foster deeper learning through intrinsic motivation;
- (b) authentic, active learning experiences which go beyond publishing content; and
- (c) community and connectedness to encourage sharing, build student rapport, and support collaboration.

6. Company Overview

OL Group considers itself to be at the forefront of education technology research, and ties together a large body of educational research including Social Constructivism, Experiential Learning, Virtual Communities, Affective Learning, Situated Learning, Emotional Design, Project-based learning, Learner-Centred Design & Environment, Distributed Scaffolding, Deep (rather than surface) Learning and E-Learning theory & Cognitive load theory.

By adhering to this educational philosophy, OL Group believes that the OL Platform will provide education providers with higher levels of student engagement, increased student retention, better attainment of learning outcomes and lower cost of education delivery.

OL Group intends to continue conducting research and development to expand the functionality and usability of the OL Platform in-line with OL Group's educational philosophy and the requirements of current and prospective clients.

6.5.7 Technology

The OL Platform runs on virtualised cloud infrastructure provided by Microsoft Azure. Prestarian Systems Sdn Bhd, an entity associated with a substantial Shareholder of the Company, Prestariang Capital Sdn Bhd, acts as reseller of OL Group's licence from Microsoft Azure (**Reseller**). OL Group pays licence fees to the Reseller and the Reseller is responsible for making payments to Microsoft. The aggregate fees payable to the Reseller are the same or lower than what OL Group would pay if it were to purchase directly from Microsoft or through another reseller.

The backend services are contained within a secured virtual network, and are accessed via HTTP requests (from web browsers, mobile devices, or API applications) via the Azure Application Gateway.

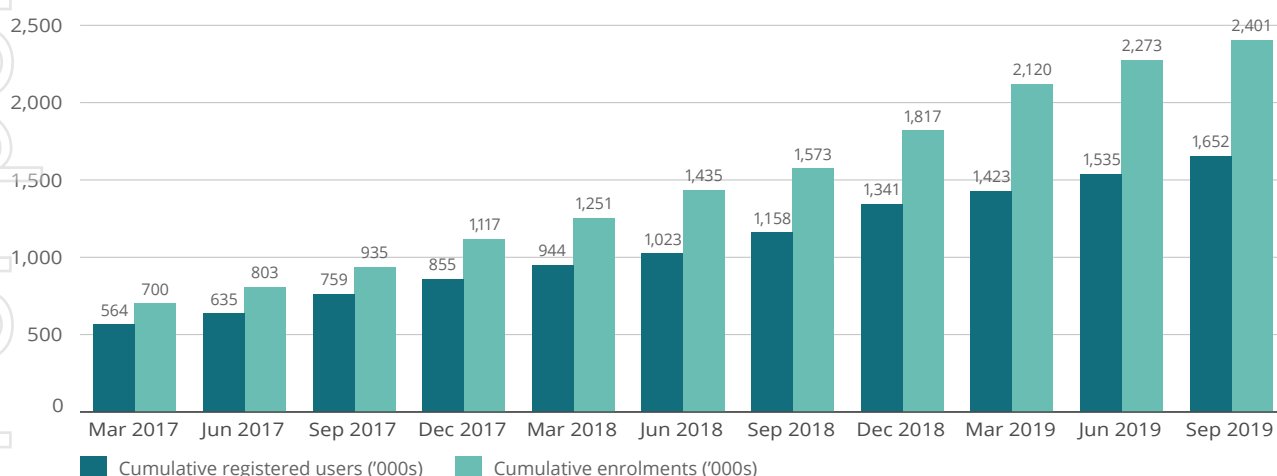
The OL Platform also makes use of external (not part of the Azure cloud ecosystem) services for content storage (ensuring protection of Providers' IP and personal details of all users), content delivery, data collection and analysis, multimedia encoding streaming and improving the customer experience.

6.6 Historic Performance

Since the launch of the OL Platform in October 2012 and through to early 2018, OL Group pursued user and enrolment growth at the expense of revenue by allowing individuals, educators and a number of Providers to utilise the OL Platform for free or on a revenue share basis.

This strategy enabled OL Group to attract a large number of learners and Providers worldwide to the OL Platform, establish its brand in key markets and develop its technology at scale.

Set out below is table showing the cumulative registered users and enrolments through the OL Platform:



In March 2019, OL Group introduced a paywall on the OL Platform and notified all 1,660 educators who had created Courses²² and 203 Providers²³ that they would need to subscribe to a SaaS plan in order to continue using the OL Platform. OL Group took into consideration the procurement processes of selected Providers and granted extensions on a case-by-case basis.

22. Company provided. Includes those educators who had previously created at least 1 course in the preceding 12 months and had at least 20 enrolments.

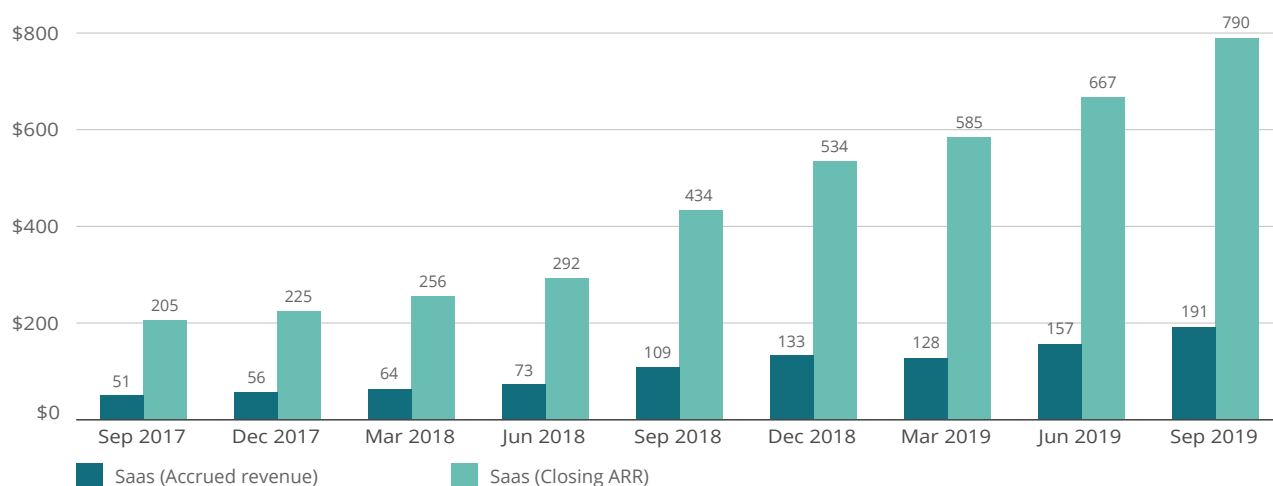
23. Company provided. Includes those education providers who had previously begun using the OL Platform and had a minimum of 1 course and 20 enrolments.

Prior to March 2019, the OL Platform had a large number of independent educators and small education providers who would not be able to afford OL Group's B2B pricing. Therefore, OL Group introduced a low cost plan for A\$190/year per educator (pricing varies by region) to allow these educators to continue using the OL Platform. As at 30 September 2019, there were 422 educators subscribed to the low cost plan for an average annual subscription fee of A\$208 per year. OL Group is no longer offering this low cost plan and has since introduced the SaaS plans identified in Section 6.4.1.

In July 2019, OL Group restructured its operations in Australia and Malaysia to focus on growing SaaS revenue by expanding its sales and marketing teams, reducing the headcount of its learning design team and increasing the size of its customer success and onboarding teams.

OL Group's outbound sales and partnership efforts have been focused on Providers (**B2B**) and the number of Providers subscribed to the OL Platform has increased from 6 in March 2018 to 55 in September 2019. The fees paid by a Provider to OL Group are based on usage and therefore new clients start at a low rate with the expectation that fees will increase in line with usage.

Set out below is a chart illustrating the annualised recurring revenue (**ARR**)²⁴, accrued SaaS revenue and B2B customer growth on a quarterly basis (quarterly, AUD, '000s):



OL Group's SaaS revenue has grown since it introduced the SaaS business model in 2017:

Reporting Period	SaaS Revenue (\$'000,s) Audited/ Reviewed	ARR at end of Period ²⁵ (\$'000,s) Management Figure
FY 2017	210	225
FY 2018	379	534
HY 2019	285	667

Set out below is a table of OL Group's revenue and losses since the commencement of the financial year ended 31 December 2017:

Reporting Period	Revenue (\$'000,s) Audited/ Reviewed	Profit/(Loss) (\$'000,s) Audited/ Reviewed
FY 2017	1,174	(3,918)
FY 2018	1,764	(4,375)
HY 2019	786	(2,300)

24. Refer to the glossary in Section 13 for a description with respect to how ARR is calculated. ARR calculated based on SaaS revenue for the final month of each quarter.

25. Refer to the glossary in Section 13 for a description with respect to how ARR is calculated. Calculations for end of period are undertaken in June for half-years and December for full-years.

6. Company Overview

In the quarter ended 30 September 2019, the unaudited financial information is as follows:

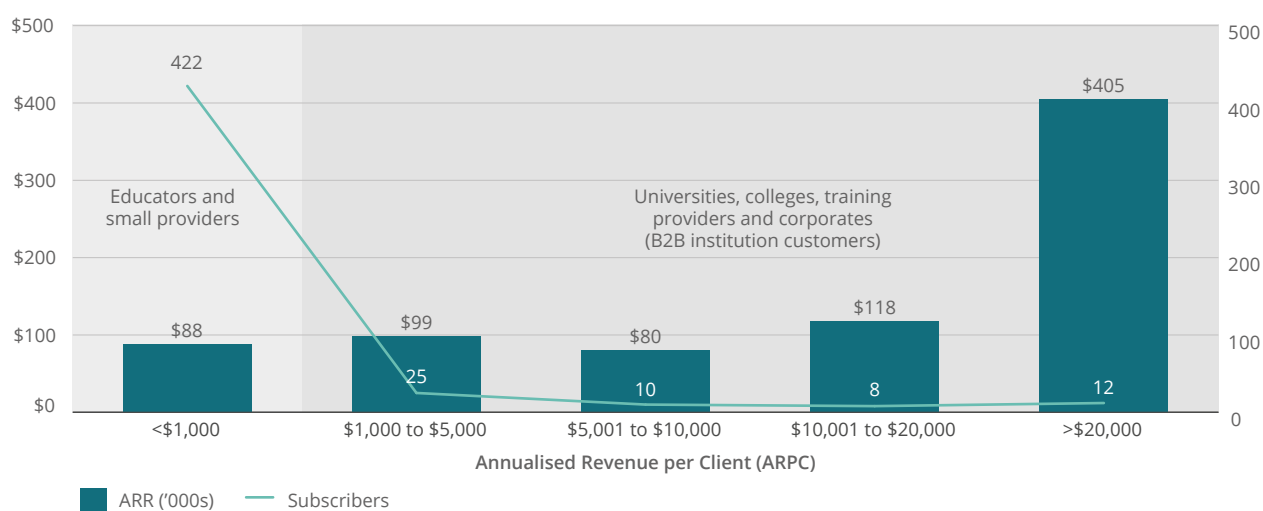
- (a) SaaS Revenue – \$192,000;
- (b) Total Revenue – \$402,000;
- (c) ARR at end of period²⁶ – \$790,000; and
- (d) Loss throughout period – \$1,412,000.

OL Group's loss in the quarter ended 30 September 2019 is comprised of a loss from operations of \$1,058,000 and costs associated with the Offers and organisational restructure of \$354,000.

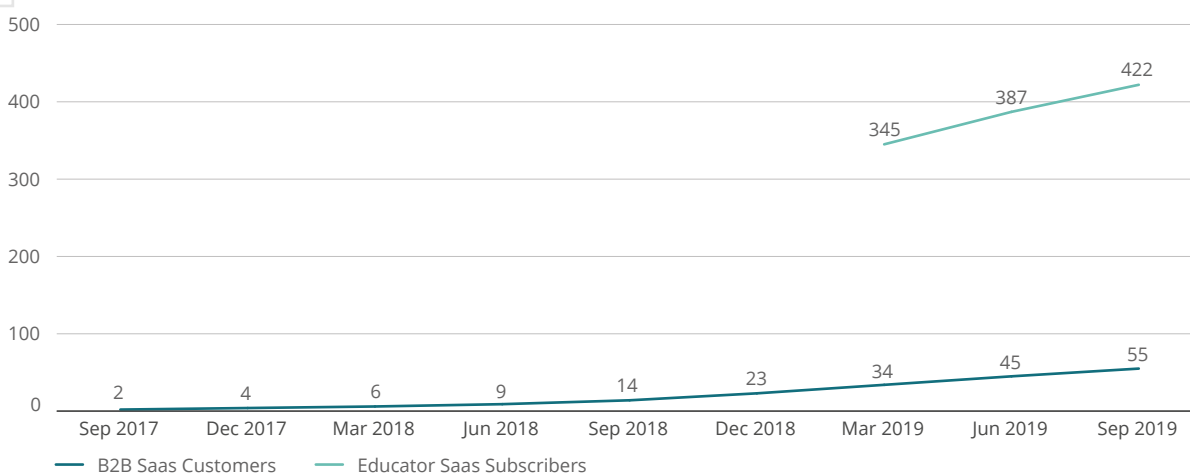
OL Group has experienced a decline in Design Services revenue in FY 2019 as a result of the OL Group's decision to no longer offer Design Services in the Malaysian market and a reallocation of resources towards growing higher margin SaaS revenue.

OL Group has historically segmented its paying SaaS customers by independent educators and Providers, with the number of subscribers in each category shown below. OL Group has recently revised the pricing and terms of its independent educator plan to encourage small education providers to upgrade to more expensive plans as their usage grows.

Set out below is a chart illustrating annualised recurring revenue²⁷ (ARR) and total subscribers by annualised revenue per client (AUD, '000s, as at 30 September 2019):



Set out below is a chart illustrating the number of B2B institution SaaS customers and educator SaaS customers:



26. Refer to the glossary in Section 13 for a description with respect to how ARR is calculated.

27. Refer to the glossary in Section 13 for a description with respect to how ARR is calculated.

OL Group currently segments B2B SaaS customers and educator SaaS customers for reporting purposes due to the substantial difference in their annual SaaS fees. However, OL Group believes that a significant portion of the customers on the personal educator SaaS plans are small scale education providers that may be suited for B2B SaaS plans.

6.7 Marketing of Platform and Services

OL Group markets the OL Platform through the following channels:

- (a) online, through OL Group's website: www.openlearning.com, which allows Providers to subscribe for its low cost SaaS plan entirely online or to contact OL Group's sales team for higher team, institution and enterprise plans;
- (b) direct sales through:
 - (i) partnership managers at OL Group's office in Sydney, Australia; and
 - (ii) sales and business development managers at OL Group's office in Kuala Lumpur, Malaysia; and
- (c) business development efforts from OL Group's senior executives with a focus on strategic sales and partnerships with large enterprises and organisations.

Following the Company listing on the Official List of ASX, OL Group's intention is to engage authorised partners and resellers to target specific sectors that are not serviced by OL Group's direct sales teams.

OL Group's sales and marketing efforts are currently directed towards the higher education sector and plans to expand its teams in Australia and Malaysia to target a wider range of Providers, including corporates and government agencies, as well as broadening the number of higher education providers currently utilising the OL Platform. OL Group also intends consider broadening its offering in the medium term to other global jurisdictions, particularly in South-East Asia.

6.8 Significant dependencies

The key factors that the Company will depend on to meet its objectives are:

- (a) the successful completion of the Public Offer;
- (b) the successful Settlement of the Acquisitions;
- (c) the ability of the Company to expand its sales and partnerships teams and to ensure their effectiveness in order to increase monthly recurring revenue;
- (d) the continued demand from Providers to deliver their Courses online and require OL Group's Design Services; and
- (e) the ability of the Company to expand into new markets by attracting and onboarding education providers through inside sales and online channels.

6.9 Corporate Structure

Open Learning Global Pty Ltd (ACN 162 780 467) (**OL Australia**) was founded in Sydney in 2012 and was redomiciled to Singapore in 2017 by way of a share swap under which all shareholders in OL Australia exchanged their OL Australia shares for shares in OLG Australia Investors Pte Ltd (**OL Investors**) which is a shareholder in the current head entity in the group, OpenLearning Global Pte Ltd (**OL Singapore**).

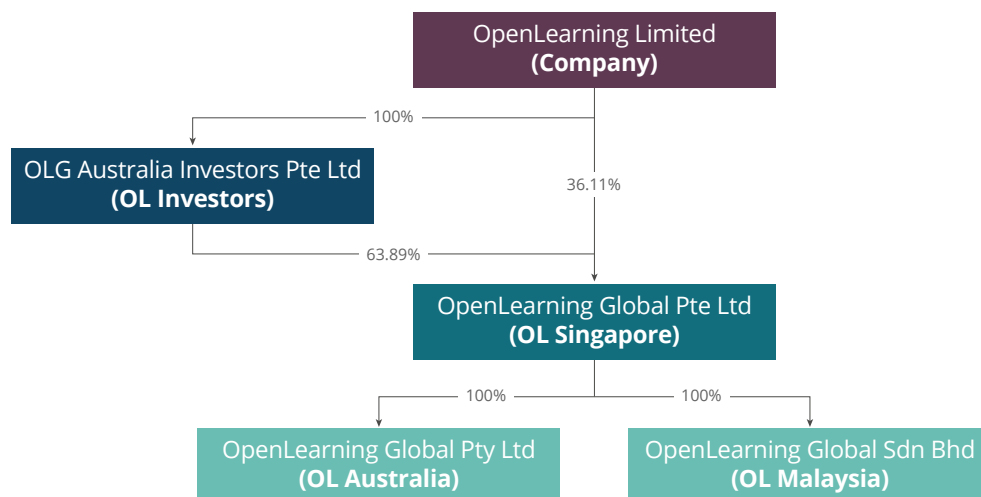
Subsequent to the share swap, ownership of OL Australia's wholly owned Malaysian subsidiary Open Learning Global (M) Sdn Bhd (**OL Malaysia**) was transferred to OL Singapore.

In connection with its listing, OL Singapore will undertake another redomicile through the acquisition of OL Investors and OL Singapore by the Company pursuant to the Acquisition Agreements (**Acquisitions**).

Throughout this Prospectus, the Company, OL Singapore, OL Australia and OL Malaysia are collectively referred to as **OL Group**.

6. Company Overview

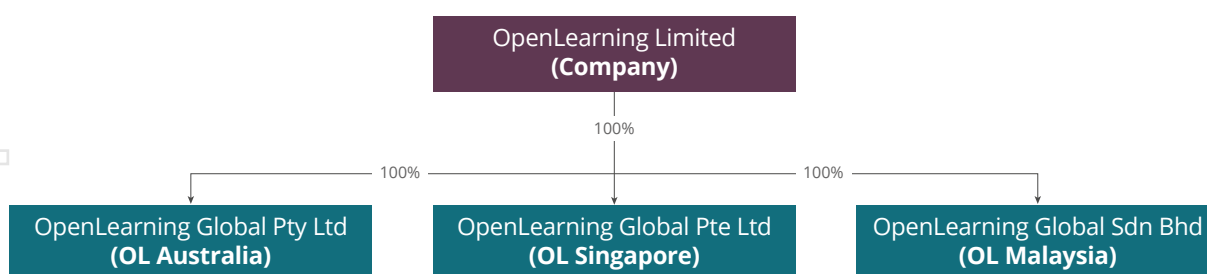
Following completion of the Acquisitions, the corporate structure of the OL Group will be as set out below:



A summary of the role of each member of the OL Group is set out below:

- (a) the Company will be the ASX listed entity;
- (b) OpenLearning AU is responsible for the general operational activities of the OL Group in Australia, including research and development of the OL Platform;
- (c) OpenLearning SG is responsible for the general operational activities of OL Group's business in Singapore;
- (d) OpenLearning MY is responsible for the general operational activities of OL Group's business in Malaysia, including supporting customers in other countries in Southeast Asia; and
- (e) Early Investors is an investment holding company that was originally established to hold shares on behalf of the Company's seed investors and founders.

Following its listing on the ASX, the Company will explore restructuring the members of the OL Group into the following structure:



6.10 Intellectual property

OL Group realises that the protection of intellectual property has great importance in certain markets and sectors. OL Group's differentiators are the proprietary OL Platform, the approach to education that the OL platform enables, which is monetised through OL Group's Design Services, and the OL Marketplace on openlearning.com.

The OL Platform has been developed through the novel integration of existing, well-developed internet technologies and theories that had not yet been applied to online education delivery to enable the delivery of social, project and activity based learning experiences. OL Group is of the view that speed to market and allocating resources to software development and scaling the OL Platform will generate more value for Shareholders than patents.

OL Group's primary defence against competitors is the know-how of its management team, data captured by the OL Platform, the investment made by clients in developing their courses specifically for the OL Platform, brand awareness and operational track record. OL Group mitigates intellectual property risk through employment contracts, speed to market and agility in evolution. Given the size of the market in which OL Group operates, it does not consider litigating patents as a viable means to "winning" in this market.

The Company's interests in registered intellectual property following completion of the Acquisitions will include:

- (a) OL Group has registered trademarks for its logo in Australia and Malaysia:



- (i) Registered trademark with IP Australia with the number 1737850 in respect of the above logo and the word 'OPENLEARNING' (composite mark), classes: 9, 16, 35, 41 and 45; and
- (ii) Registered trademarks with the Intellectual Property Corporation of Malaysia (MyIPO) with the numbers: 2016055768, 2016055767 and 2016055766 in respect of the above logo and word 'OPENLEARNING', classes 9, 41 and 42.
- (b) OL Group has a registered trademark with IP Australia with the number 1767622 for the phrase 'FREE TO LEARN, PAY TO CERTIFY', classes 9 and 41.

OL Group has been advised that its trademarks do not explicitly grant it the exclusive right for use of the words 'OPENLEARNING' due to the name being descriptive.

6.11 Use of Funds

The Company intends to apply funds raised from the Public Offer, together with existing cash reserves post-Acquisitions, in the next two years following admission to the Official List of the ASX as follows (all amounts in Australian dollars):

FUNDS AVAILABLE	Minimum Subscription (\$) \$6,000,000	Percentage of Funds (%)	Maximum Subscription (\$) \$8,000,000	Percentage of Funds (%)
Existing cash reserves of the Company ¹	1,735,000	22.43%	1,735,000	17.82%
Funds raised from the Capital Raising	6,000,000	77.57%	8,000,000	82.18%
Total	7,735,000	100%	9,735,000	100%

ALLOCATION OF FUNDS	Minimum Subscription	Percentage of Funds (%)	Maximum Subscription	Percentage of Funds (%)
Enhancing Course Quality/Design Services ²	578,952	7.58%	810,533	8.33%
Customer Onboarding/Support ³	370,139	4.79%	518,195	5.32%
Marketing and expansion of sales network ⁴	3,394,830	43.89%	4,152,762	42.66%
R&D ⁵	958,299	12.39%	1,341,619	13.78%
Expenses associated with the IPO ⁶	600,000	7.76%	700,000	7.19%
Working Capital ³	1,832,780	23.69%	2,211,891	22.72%
Total	7,735,000	100%	9,735,000	100%

Notes:

1. Refer to Section 7 and the Investigating Accountant's Report set out in Annexure A to this Prospectus. These funds represent cash held by OL Group as at 30 June 2019 with the addition of \$3,000,000 in funds received from the issue of Convertible Notes prior to the date of the Prospectus and operating loss of approximately \$1,400,000 during the quarter ended 30 September 2019, which involved operational expenditure and expenses associated with the Offers and the restructure of OL Group. OL Group will incur further costs within the ordinary course of its business and in association with the Acquisitions, which will diminish this amount prior to listing.
2. Costs associated with provision of Design Services to Providers, primarily made up of wages payable to OL Group employees.
3. Costs associated with onboarding new Providers and providing support to users of OL Platform, primarily made up of wages payable to OL Group employees.
4. To position the Company for strategic growth beyond the current size in the long term by increasing the sales team and presence in both Australia and overseas. Refer to Section 6.7 for a summary of OL Groups' current and proposed marketing activities.
5. R&D expenses are costs related to adding further functionality to the OL Platform.
6. Refer to Section 11.10 for further details.
7. Working capital includes the general costs associated with the management and operation of the business including administration expenses, management salaries, directors' fees, rent and other associated costs.

6. Company Overview

On completion of the Public Offer, the Board believes that the Company will have sufficient working capital to achieve these objectives.

The above table is a statement of current intentions as of the date of lodgement of this Prospectus with the ASIC. As with any budget, intervening events (including the risk factors outlined in Section 8) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

6.12 Capital Structure

The capital structure of the Company following completion of the Offers is summarised below:

6.12.1 Shares¹

	Minimum Subscription (\$6,000,000)	Maximum Subscription (\$8,000,000)
Shares currently on issue ²	1	1
Public Offer	30,000,000	40,000,000
OL Singapore Acquisition ³	65,000,000	65,000,000
Shares to be issued on conversion of Convertible Notes ⁴	30,833,307	30,833,307
Director Advisory Shares ⁵	958,333	958,333
Advisor Shares ⁶	2,875,000	2,875,000
Total	129,666,641	139,666,641

Notes:

1. The rights attaching to the Shares are summarised in Section 11.2 of this Prospectus.
2. Issued to Director, Adam Brimo, on incorporation of the Company at an issue price of \$1.
3. Refer to Section 10.2 for summaries of the Acquisition Agreements.
4. Convertible into Shares at \$0.12 per Share immediately prior to the Company's admission to the Official List with an entitlement to one Option for each Share issued. Refer to Section 10.1.2 for a summary of the material terms and conditions of the Convertible Notes.
5. To be issued to Director, Spiro Pappas, in consideration for advisory services provided to the Company prior to listing.
6. Refer to Section 4.17 for further details with respect to the issue of Advisor Shares.

6.12.2 Options

	Minimum Subscription (\$6,000,000)	Maximum Subscription (\$8,000,000)
Options currently on issue	Nil	Nil
Director Options ¹	5,000,000	5,000,000
Options to be issued on conversion of Convertible Notes ²	30,833,307	30,833,307
Advisor Options ³	2,593,333	2,793,333
Total Options on completion of the Offers	38,426,640	38,626,640

Notes:

1. 1,000,000 Director Options to be issued to each Non-Executive Director of the Company. Refer to Section 11.3 for the terms and condition of the Director Options.
2. Refer to Section 11.3 for the terms and conditions of the Options to be issued on conversion of the Convertible Notes and Section 10.1.2 for a summary of the material terms and conditions of the Convertible Note Agreements.
3. Refer to Section 11.3 for the terms and conditions of the Advisor Options and Section 4.17 for further details with respect to the issue of Advisor Options.

6.12.3 Performance Rights

	Performance Rights
Performance Rights currently on issue	Nil
Performance Rights to be issued ¹	2,750,000
Total Performance Shares on completion of the Offers	2,750,000

Note:

1. Refer to Section 11.4 for the terms and conditions of the Performance Rights. 2,750,000 Performance Rights will be issued prior to the Company's admission to the Official List. It is anticipated that an additional 1,750,000 Performance Rights will be issued to key management following the Company's admission to the Official List.

6.13 Substantial Shareholders

The sole Shareholder of the Company as at the date of this Prospectus is Director, Adam Brimo, who holds 1 Share that was issued on incorporation.

Upon the Minimum Subscription being raised, completion of the Acquisition and issue of Shares under the Offers, it is anticipated that the following parties will have substantial shareholdings in the Company:

Shareholder	Shares	Options/ Performance Rights	% (undiluted)	% (fully diluted) ¹
Prestariang Capital Sdn Bhd	13,726,784	Nil	10.59%	8.03%
Magna Intelligent Sdn Bhd	11,030,058	4,166,666	8.51%	8.90%
Clive Mayhew	8,288,754	Nil	6.39%	4.85%
Adam Brimo ¹	6,532,475	2,162,358	5.04%	5.07%

Note:

1. This includes 126,358 Shares and 126,358 Convertible Note Options to be issued to Melissa Ran (Mr Brimo's wife) upon conversion of Convertible Notes, notwithstanding that the Company does not consider that Ms Ran and Mr Brimo are associates.

The above table assumes that none of the Shareholders referred to take up Shares under the Public Offer. The Company has not received commitments from these Shareholders to take up Shares under the Public Offer. The Company will announce to the ASX details of its top 20 Shareholders (following completion of the Offers) prior to the Shares commencing trading on ASX.

The Directors do not expect that any single Shareholder will control the Company on completion of the Offers.

6. Company Overview

6.14 Restricted Securities

Subject to the Company complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offers, the Company understands that certain Securities on issue (including, without limitation, part of the Consideration Shares and part of the Shares and Options to be issued on conversion of the Convertible Notes) may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.

While ASX has not yet confirmed the final escrow position applicable to the Company's Shareholders, the Company anticipates that the following Securities will be subject to ASX imposed escrow:

- (a) 14,637,505 Consideration Shares to be issued to related parties and promoters – escrowed for 24 months from the date of quotation;
- (b) 1,666,569 Shares to be issued to related parties and promoters upon conversion of the Convertible Notes – escrowed for 24 months from the date of quotation;
- (c) 4,166,422 Convertible Note Options to be issued to related parties and promoters upon conversion of the Convertible Notes – escrowed for 24 months from the date of quotation;
- (d) 10,666,754 Shares to be issued to unrelated seed capital investors upon conversion of the Convertible Notes – escrowed for 12 months from the date of investment;
- (e) 26,666,884 Convertible Note Options to be issued to unrelated seed capital investors upon conversion of the Convertible Notes – escrowed for 12 months from the date of investment; and
- (f) all Director Options, Advisor Securities, Director Advisory Shares and Performance Rights – escrowed for 24 months from the date of quotation.

The number of Securities that are subject to ASX imposed escrow are at ASX's discretion in accordance with the ASX Listing Rules and underlying policy. The above is a good faith estimate of the Securities that are expected to be subject to ASX imposed escrow.

During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Company's listed securities being admitted to trading on ASX (which admission is subject to ASX's discretion and approval).

7. Financial Information

7. Financial Information

7.1 Introduction

7.1.1 Basis and Method of Preparation

The Company was incorporated on 30 August 2019 for the purpose of acquiring OL Singapore (including through the acquisition of OL Investors which is a shareholder in OL Singapore) and its subsidiaries (**OL Group**). The Company holds no other material assets other than the shares in OL Singapore and OL Investors.

This section contains a summary of the Consolidated Historical and Pro forma Financial Information for the OL Group.

The Financial Information presented comprises the following:

- (a) Consolidated Historical Profit and Loss Statements of OL Singapore for the years ended 31 December 2017 (**FY2017**), 31 December 2018 (**FY2018**) and half-year ended 30 June 2019 (**HY2019**);
- (b) Consolidated Historical Statements of Cash Flows of OL Singapore for FY2017, FY2018 and Half-Year FY2019;
- (c) Consolidated Historical Balance Sheet of OL Singapore as at 30 June 2019;
- (d) A Pro forma Consolidated Balance Sheet of the Company after the proposed raising and other material events occurring after 30 June 2019 based on the Consolidated Balance Sheet of OL Singapore at 30 June 2019; and
- (e) Significant Accounting Policies and Material Accounting Matters.

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles of Australian equivalents of International Financial Reporting Standards and the adopted accounting policies of the Company.

The Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

7.1.2 Audit of Historical Financial Information

The historical financial information of OL Singapore has been subject to audit for FY2017 and FY2018 and half year review for HY2019 by Hall Chadwick. The FY2017 audit report included a qualification regarding insufficient appropriate audit evidence in relation to opening balances as at 31 December 2016. The FY2017, FY2018 and HY2019 reports also contained a material uncertainty related to going concern due to net losses and operating cash outflows incurred.

7.1.3 Additional Information and Support for Financial Information

The Consolidated Historical and Pro forma Financial Information should be read in conjunction with the Investigating Accountants Report set out in Annexure A.

7.1.4 Management Discussion and Analysis of Historical Results

The OL Group provides a cloud-hosted, social online learning platform that enables education Providers to deliver online Courses to learners. Revenue for FY2018 is mainly derived from providing (i) SaaS plans for educational institutions using the OL Platform, (ii) learning Design Services and (iii) revenue sharing on paid online Courses. The OL Group has operational presence in Australia, Malaysia and Singapore, and continued to expand in FY2018 with the acquisition of new institutional clients and the increase in the number of paid online Courses.

The OL Group has been historically loss-making and has been reliant on investor funding to sustain its operations. The OL Group has a strong presence in Australia and Malaysia.

From the period between the inception of OL Group and March 2019, OL Group operated a freemium business model whereby individuals were able to utilise the OL Platform for the delivery of Courses at no cost and education Providers were required to subscribe to a SaaS plan. Beginning in March 2019, the OL Group ended its freemium business model and required all education Providers to subscribe to a SaaS plan in order to continue utilising the OL Platform.

In July 2019, OL Group revised its strategy to focus on growing the OL Platform SaaS revenue rather than providing learning Design Services and taking a share of revenue from paid online Courses.

In-line with this change in strategy, OL Group made significant changes to its organisational structure in Australia, Malaysia and Singapore. These changes included a reduction in OL Group's headcount from 70 to 42 staff as a result of redundancies in OL Group's learning services division in Malaysia and engineering department in Australia, and a reduction in management staff group-wide. OL Group also carried out a cost reduction exercise that included relocating its Australian office in September 2019.

OL Group's strategy is focused on growing OL Platform SaaS revenue from education Providers by offering usage-based pricing aligned to the number of learners or educators that utilise the OL Platform from the education Provider.

The OL Group continues to offer Design services in Australia to larger customers and continues to derive revenue from the OL Marketplace, however, OL Group views these two revenue streams as secondary and as a means to increase adoption and usage of the OL Platform under the SaaS business model.

7.2 Profit and Loss Statement

Set out in the table below is the summarised Consolidated Historical Profit and Loss Statements for OL Singapore. This information should be read in conjunction with the information provided elsewhere in this Prospectus.

(\$000's)	HY2019	FY2018	FY2017
Continuing operations			
Revenue ¹	786	1,764	1,174
Other income	14	65	144
Web-hosting and other direct costs	(220)	(496)	(321)
Employees and contractors costs	(2,368)	(4,366)	(3,598)
Depreciation and assets expensed	(16)	(37)	(66)
Rental and utilities	(197)	(350)	(307)
IT and communication costs	(65)	(132)	(74)
Promotional and advertising	(44)	(236)	(180)
Professional services	(71)	(218)	(561)
Travelling costs	(43)	(150)	(102)
General and administrative costs	(68)	(393)	(151)
Loss before interest and income tax	(2,292)	(4,549)	(4,042)
Finance income	3	30	14
Finance expense	(11)	(12)	(89)
Loss before income tax	(2,300)	(4,531)	(4,117)
Income tax benefit	–	156	199
Loss for the period	(2,300)	(4,375)	(3,918)

1. Revenue comprises the following:

(\$000's)	HY2019	FY2018	FY2017
Services sales	394	1,226	940
Platform licence fee	285	379	210
Marketplace sales	311	282	91
Gross sales	990	1,887	1,241
Less: Sharing of revenue with course creators	(204)	(123)	(67)
Revenue	786	1,764	1,174

7. Financial Information

7.3 Statements of Cash Flows

Set out in the table below is the summarised Consolidated Historical Statement of Cash Flows for OL Singapore. This information should be read in conjunction with the information provided elsewhere in this Prospectus.

(\$000's)	Half-year Ended 30 June 2019	FY2018	FY2017
Cash Flows from Operating Activities			
Loss before tax	(2,300)	(4,531)	(4,117)
Adjustment for non-cash items	21	243	102
Operating cash flows before changes in working capital	(2,279)	(4,288)	(4,015)
Changes in working capital	862	(565)	398
Interest received	3	30	14
Interest paid	(11)	(12)	(89)
Income tax benefit received	–	355	204
Net cash provided by operating activities	(1,425)	(4,480)	(3,488)
Cash Flows from Investing Activities			
Purchase of furniture, fittings and equipment	(9)	(74)	(7)
Purchase of intangible assets	(105)	(269)	–
Due from related co	(5)	(30)	–
Net cash used in investing activities	(119)	(373)	(7)
Cash Flows from Financing Activities			
Proceeds from issue of shares	–	5,550	3,000
Share issue expenses	–	(802)	–
Proceeds from issuance of convertible notes	700	–	1,354
Repayment of convertible notes	–	–	(220)
Net cash provided by financing activities	700	4,748	4,134
Net increase/(decrease) in cash held	(844)	(105)	639
Effect of exchange rate changes on cash and cash equivalents	–	–	(1)
Cash at the beginning of the period	1,077	1,182	544
Cash at the end of the period	233	1,077	1,182

7.4 Consolidated Balance Sheet as at 30 June 2019

Set out in the table below is the Consolidated Balance Sheet for OL Singapore as at 30 June 2019 and the Pro Forma Consolidated Balance Sheet for the Company assuming completion of the minimum and maximum Offer as disclosed in the Prospectus and other material events that have occurred or are expected to occur subsequent to 30 June 2019. This information should be read in conjunction with the information provided elsewhere in this Prospectus.

\$000's	Note	Actual	Pro-Forma	Pro-Forma
		Audited Balance Sheet 30 June 2019	Balance Sheet Minimum Offer	Balance Sheet Maximum Offer
Current Assets				
Trade and other receivables		419	419	419
Other assets		35	35	35
Amount due from a related company		35	35	35
Restricted cash		98	98	98
Cash and cash equivalent	1	135	8,535	10,435
		722	9,122	11,022
Non-Current Assets				
Furniture, fittings and equipment		102	102	102
Intangibles		407	407	407
		509	509	509
Total Assets		1,231	9,631	11,531
Current Liabilities				
Trade and other payables		1,004	1,004	1,004
Provisions		219	219	219
Convertible notes	2	700	–	–
Deferred revenue		322	322	322
		2,245	1,545	1,545
Non-Current Liabilities				
Convertible preference shares	3	*	–	–
		*	–	–
Total Liabilities		2,245	1,545	1,545
Net Assets/(Liabilities)		(1,014)	8,086	9,986
Equity				
Issued capital	4	13,739	24,206	26,206
Share issue expenses	5	(802)	(2,090)	(2,219)
Other reserves	6	13	1,793	1,805
Accumulated losses	7	(13,964)	(15,823)	(15,806)
Total Equity		(1,014)	8,086	9,986

* The convertible preference shares amount is \$9.00.

7. Financial Information

Notes:

1. Cash and cash equivalents comprise the following:

	Minimum Subscription \$000	Maximum Subscription \$000
Cash balance, 30 June 2019	135	135
Convertible notes proceeds post 30 June 2019	3,000	3,000
Offer proceeds	6,000	8,000
Offer costs	(600)	(700)
Cash and cash equivalents as per pro forma statements of financial position	8,535	10,435

2. Convertible notes are calculated as follows:

	Minimum Subscription \$000	Maximum Subscription \$000
Convertible notes balance, 30 June 2019	700	700
Convertible notes issued post 30 June 2019	3,000	3,000
Conversion of convertible notes to shares	(3,700)	(3,700)
Convertible notes balance as per pro forma statements of financial position	-	-

3. Convertible preference shares are calculated as follows:

	Minimum Subscription \$000	Maximum Subscription \$000
Convertible preference shares balance, 30 June 2019	*	*
Conversion of convertible preference shares to shares	(*)	(*)
Convertible preference shares balance as per pro forma statements of financial position	-	-

* Amount is \$9.00 only.

4. Issued capital is calculated as follows:

	Minimum Subscription		Maximum Subscription	
	No. of Shares	\$000	No. of Shares	\$000
Number of shares currently on issue	33,550,000	13,739	33,550,000	13,739
Conversion of convertible preference shares to shares	5,580,981	*	5,580,981	*
Conversion of convertible notes to shares	30,833,307	3,700	30,833,307	3,700
Issue of shares pursuant to share exchange arrangement	25,869,020	-	25,869,020	-
Proceeds from shares issued under this Prospectus	30,000,000	6,000	40,000,000	8,000
Issue of Director Advisory Shares	958,333	192	958,333	192
Issue of shares to advisors	2,875,000	575	2,875,000	575
Shares on issue on completion of the Offers	129,666,641	24,206	139,666,641	26,206

* Amount is \$9.00 only.

5. Share issue expenses are calculated as follows:

	Minimum Subscription \$000	Maximum Subscription \$000
Share issue expenses balance, 30 June 2019	(802)	(802)
Capital raising costs attributed to issue of new shares	(369)	(486)
Issue of Advisor shares deemed to be cost of the Offers	(575)	(575)
Issue of Director Advisory Shares	(192)	(192)
Issue of Advisor options deemed to be cost of the Offers	(152)	(164)
Share issue expenses balance as per pro forma statements of financial position	(2,090)	(2,219)

6. Other reserves are calculated as follows:

	Minimum Subscription \$000	Maximum Subscription \$000
Other reserves balance, 30 June 2019 comprises of:		
• Foreign currency translation reserve	13	13
• Share option reserve	-	-
	13	13
Issue of Advisor options deemed to be cost of the Offers	152	164
Issue of Director options	158	158
Issue of Convertible Note options	1,470	1,470
Other reserves balance as per pro forma statements of financial position	1,793	1,805

7. Accumulated losses are calculated as follows:

	Minimum Subscription \$000	Maximum Subscription \$000
Accumulated losses balance, 30 June 2019	(13,964)	(13,964)
Listing expenses	(231)	(214)
Issue of Director options	(158)	(158)
Issue of Convertible Note options	(1,470)	(1,470)
Accumulated losses balance as per pro forma statements of financial position	(15,823)	(15,806)

Options

The Convertible Note Options have been valued using Black Scholes with the following key inputs

Volatility	40.0%
Risk free rate	2.0%
Underlying share price	AUD\$0.20
Exercise price	AUD\$0.20
Exercise period	Two years

This results in a value of \$0.0477 per option. An expense has been recognised for the 30.833 million options that vest immediately, totalling \$1,470,000.

Director Options have been valued using the same key inputs, except for an exercise period of three years and exercise price of \$0.30, resulting in a value of \$0.0316 per option. An expense has been recognised for the 5.0 million options that vest immediately, totalling \$158,000.

Advisor Options have also been valued using the same key inputs and an exercise period of three years, resulting in a value of AUD\$0.0586 per option, totalling \$152,000 for the 2,593,333 options under the Minimum Subscription and \$164,000 for the 2,793,333 options under the Maximum Subscription.

7. Financial Information

Performance Rights

The Performance Rights are subject to non-market vesting conditions, accordingly no expense has been recognised as the Company have not assessed that the condition is likely to be met at this point and will be reassessed at future reporting dates.

7.5 Statement of Significant Accounting Policies

The following is a summary of the material accounting policies adopted by OL Singapore in the preparation of the financial information. The accounting policies have been consistently applied, unless otherwise stated.

The principal accounting policies adopted in the preparation of the historical and pro-forma financial information (collectively referred to as the **financial statements**) are set out below. The financial statements are for the consolidated entity consisting of OL Singapore and its subsidiaries. The financial statements are presented using the Australian currency.

7.5.1 Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention except as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss and are in accordance with International Financial Reporting Standards (**IFRSs**) issued by the International Accounting Standards Board (**IASB**) and IFRIC interpretations issued by the IFRS Interpretations Committee.

The financial statements are presented in Australian Dollars (**AUD**) and all values in the tables are rounded to the nearest thousand (**AUD'000**) as indicated.

7.5.2 Going concern

The financial statements have been prepared on the going concern basis which assumes the OL Group will have sufficient cash to pay its debts, as and when they become payable, for a period of at least 12 months from the date the financial report was authorised for issue.

The OL Group has incurred a net loss after tax of \$2,300,000 (2018: \$1,748,000) for the half year ended 30 June 2019. Also during the financial period, the OL Group had cash outflows from operating activities of \$1,425,000 (2018: \$1,362,000).

The OL Group has prepared a cash flow forecast which indicates that the OL Group will have to raise additional funds to continue as a going concern.

The directors have undertaken the following initiatives to address the future additional funding requirements of the OL Group:

- (a) entered into discussions to secure additional funding from current and new investors;
- (b) undertaken a programme to continue to monitor the OL Group's ongoing working capital requirements and minimum expenditure commitments; and
- (c) continued focus on maintaining an appropriate level of overheads in line with the OL Group's business plan and available cash resources.

Completion of the Public Offer pursuant to this Prospectus will provide the OL Group with sufficient funding to meet its minimum expenditure commitments and support its planned level of overhead expenditures.

However, in the event that the OL Group is not able to successfully complete the Public Offer, significant uncertainty would exist as to whether the Company and the OL Group will continue as a going concern and therefore, whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the Company and the OL Group not continue as going concerns.

7.5.3 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the OL Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2018. This included IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments". The adoption of these standards did not have any effect on the financial performance or position of the OL Group and the Company.

7.5.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains or losses resulting from intra-group transactions are eliminated in full.

The consolidated financial statements of the OL Group have been prepared in accordance with the pooling of interest method as the OL Group is a continuation of the existing business of Open Learning Global Pty Ltd and its subsidiary. The assets and liabilities of the combining entities are reflected at their carrying amounts as reported in the consolidated financial statements. Any difference between the consideration paid/transferred and the equity acquired is reflected within equity as merger reserve. The consolidated income statements and consolidated statements of comprehensive income reflect the results of the combining entities for the entire periods under review, irrespective of when the combination took place. Apart from the above, subsidiaries are consolidated from the date of acquisition, being the date on which the OL Group obtains control, and continue to be consolidated until the date that such control ceases.

7.5.5 Presentation and functional currency

The presentation and functional currency of the Company is AUD. The Company has chosen to present its consolidated financial statements using AUD. Each entity in the OL Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Consolidated and separate financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into AUD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

7.5.6 Furniture, fittings and equipment

All items of furniture, fittings and equipment are initially recorded at cost. Subsequent to recognition, furniture, fittings and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computer	60 months
Office equipment	60 months
Leasehold improvement	60 months

The carrying values of furniture, fittings and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of furniture, fittings and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

7. Financial Information

7.5.7 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

7.5.8 Impairment of non-financial assets

The OL Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the OL Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

7.5.9 Subsidiaries

A subsidiary is an investee that is controlled by the OL Group. The OL Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

7.5.10 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the OL Group becomes a party to the contractual provisions of the financial instrument. The OL Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the OL Group. Derivatives, including separated embedded derivatives are also classified as held for trading.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(ii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the OL Group becomes a party to the contractual provisions of the financial instrument. The OL Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

7.5.11 Impairment of financial assets

The OL Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the OL Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the OL Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

7. Financial Information

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the OL Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost had been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

7.5.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and with online payment providers, cash on hand and short-term deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

7.5.13 Convertible preference shares

Convertible preference shares (**CPS**) are classified as liabilities until conversion or maturity of the CPS. When the conversion option is exercised, the carrying amount of the conversion option will be taken to share capital. When the conversion option is allowed to lapse, the carrying amount of the conversion option will be taken to retained earnings.

7.5.14 Provisions

Provisions are recognised when the OL Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

7.5.15 Employee benefits

Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period. The liability for leave expected to be settled beyond twelve months from the end of the reporting period is determined using the projected unit credit method. The net total of service costs, net interest on the liability and remeasurement of the liability are recognised in profit or loss.

7.5.16 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the OL Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

(a) Platform licence fee

Revenue from platform licence fee is recognised over the period during which customers are granted access to the platform.

(b) Marketplace sales

Revenue from marketplace sales is recognised when customers subscribe for the courses and the course is delivered. For courses sold on behalf of third parties, revenue is recognised based on a revenue sharing arrangement.

(c) Services sales

Revenue from the provision of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Platform licence fee and services sold to customers in advance, which are yet to be utilised, are recognised initially in the balance sheet as deferred income and released to revenue in line with the above recognition criteria.

7.5.17 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the OL Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- (i) where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- (ii) in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

(c) Sales tax

The applicable sales taxes are the Goods and Services Tax (**GST**) and the Sales and Service Tax (**SST**), depending on the tax jurisdiction where the OL Group operates. Revenues, expenses and assets are recognised net of the amount of sales tax except:

- (i) where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) receivables and payables are stated with the amount of sales tax included.

7.5.18 Share capital and share issue expenses

Proceeds from issuance of equity shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

8. Risk Factors

8. Risk Factors

8.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free, and the Directors strongly recommend potential investors to consider the risk factors described in Section 3 of this Prospectus in addition to those listed below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

8.2 Acquisition and Capital Raising Risks

(a) Contractual Risk

Completion of the Acquisitions are subject to the fulfilment of certain conditions precedent. The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreements. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

If, for any reason, the Acquisition Agreements are breached by any party, the Acquisitions may not proceed in which case the Company will need to evaluate its future strategy. In the event that the Acquisitions do not proceed, the Company will not issue any Securities under this Prospectus and will return investment funds to Applicants.

(b) Concentration of Ownership and Dilution risk

The Company currently has 1 Share on issue and will issue the Shares set out below immediately prior to listing:

	Minimum Subscription (\$6,000,000)		Maximum Subscription (\$8,000,000)	
	Shares	% Undiluted	Shares	% Undiluted
Current	1	0%	1	0%
Public Offer	30,000,000	23%	40,000,000	29%
Acquisitions	65,000,000	50%	65,000,000	47%
Convertible Note Conversion	30,833,307	24%	30,833,307	22%
Director Advisory Shares	958,333	1%	958,333	1%
Advisor Shares	2,875,000	2%	2,875,000	2%

Assuming Minimum Subscription under the Public Offer, upon completion of the Acquisitions and Offers, the existing shareholders in OL Singapore and OL Investors will hold approximately 50% of the issued capital of the Company. Further, the following parties will be substantial Shareholders as a result of their respective interests in ON Australia Investors, OL Singapore and the Convertible Notes (on an undiluted basis):

- (i) Prestariang Capital Sdn Bhd: 10.59% under the Minimum Subscription and 9.83% under the Maximum Subscription;
- (ii) Magna Intelligent Sdn Bhd: 8.51% under the Minimum Subscription and 7.90% under the Maximum Subscription;
- (iii) Clive Mayhew: 6.39% under the Minimum Subscription and 5.93% under the Maximum Subscription; and
- (iv) Adam Brimo and his wife Melissa Ran: 5.04% under the Minimum Subscription and 4.68% under the Maximum Subscription.

Assuming the Minimum Subscription is raised, all Performance Rights convert into Shares, all Options are exercised and no other Shares are issued in the Company, the number of Shares on issue will increase by 41,176,640 and the Shares issued under the Public Offer will represent approximately 17.56% of the issued capital of the Company.

Some investors may consider that this concentration of ownership and risk of future dilution increases the risk of participating in the Public Offer.

8. Risk Factors

(c) Liquidity Risk

On Settlement, the Company proposes to issue Shares that will be subject to ASX imposed escrow (refer to Section 6.14 for further details).

Based on the capital structure of the Company following completion of the Acquisitions (assuming no further Shares are issued or Options exercised), the Company expects that the Shares subject to escrow will equate to approximately 21.02% of the issued Share capital on an undiluted basis. This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

(d) Shareholder dilution

In the future, the Company may elect to issue Shares or other Securities. While the Company will be subject to the constraints of the ASX Listing Rules regarding the issue of Shares or other Securities, Shareholders may be diluted as a result of issues of Shares or other Securities. Further, on the exercise of Options or conversion of Performance Rights into Shares, Shareholders will be further diluted.

8.3 Company-Specific Risks

(a) Going Concern Risk

Since adopting the SaaS model in March 2019, OL Group has limited operating history and limited historical financial performance. Further, the OL Group has operated at a loss since its incorporation.

OL Group incurred consolidated losses (after tax) of:

- (i) \$3,918,000 for the financial year ended 31 December 2017;
- (ii) \$4,375,000 for the financial year ended 31 December 2018; and
- (iii) \$2,300,000 for the half-year ended 30 June 2019.

Please refer to the financial information in Section 7 for further details.

No assurance can be given that OL Group will achieve commercial viability following completion of the Acquisitions and Public Offer. Until OL Group is able to realise substantial value from the OL Platform and associated services, it is likely to incur ongoing operating losses. Achievement of OL Group's objectives will depend on the Board's ability to successfully implement its development and growth strategy. Depending on OL Group's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Public Offer.

Further, the auditors determined that a material uncertainty existed as at 30 June 2019 that could cast significant doubt on the Company's ability to continue as a going concern. Notwithstanding this, the Directors believe that upon the successful completion of the Public Offer, the Company will have sufficient funds to continue as a going concern and to carry out its objectives as stated in this Prospectus.

(b) Platform Agreement Risk

To continue to grow OL Group's business, it is important that existing Providers renew their subscriptions when existing contracts expire and that OL Group expands its relationships with existing customers. Providers have no obligation to renew their subscriptions, and may decide not to renew their subscriptions with a similar contract period, at the same prices and terms, or at all.

OL Group's ability to retain Providers and expand deployments with them may decline or fluctuate as a result of a number of factors, including the Providers' satisfaction with the OL Platform, OL Group's customer support, prices, competitor prices and new feature releases. If Providers do not offer additional Courses or renew their existing subscriptions, renew on less favourable terms, or fail to continue to expand their engagement with the OL Platform, OL Group's revenue may decline or grow less quickly than anticipated, which would harm its results of operations.

OL Group's growth strategy is largely dependent upon increasing the number of Providers that use the OL Platform, in particular at Institution and Enterprise levels (refer to Section 6.4.1). As OL Group seeks to increase its sales to, it may face upfront sales costs and longer sales cycles, higher customer acquisition costs, more complex customer requirements, and volume discount requirements.

As OL Group continues to expand its sales efforts to Institutional and Enterprise Providers, it will need to continue to increase the investments it makes in sales and marketing, and there is no guarantee that investments will succeed and contribute to additional Provider acquisition and revenue growth. If OL Group is unable to increase sales to these Providers, its business, financial condition, and results of operations may suffer.

(c) Design Services & Learning Philosophy Risk

OL Group's Design Services have historically made up a significant part of its revenue. OL Group has experienced a decline in Design Services revenue in FY 2019 as a result of the OL Group's decision to no longer offer Design Services in the Malaysian market and a reallocation of resources towards growing higher margin SaaS revenue. While Design Services will continue to be offered to Australian Providers, OL Group's future success will depend on Providers' developing the skills necessary to design Courses without the need for ongoing Design Services from OL Group, thereby enabling OL Group to scale its SaaS revenue and reduce overheads associated with provision of Design Services.

OL Group's ongoing viability will also depend on its ability to ensure that OL Group's learning philosophy remains relevant to the manner in which Providers wish to offer Courses. In the event that Providers disagree with OL Group's learning philosophy, there is a risk that there may be a decreased utilisation of the OL Platform by Providers, resulting in decreased revenue and a corresponding reduction in the value of the Company.

(d) Demand for Cloud Based Learning

OL Group's future success will depend in part on the growth, if any, in the demand for cloud-based technology learning solutions. The widespread adoption of the OL Platform depends not only on strong demand for new forms of technology learning, but also for solutions delivered through an SaaS business model in particular.

The market for cloud-based learning solutions is less mature than the market for in-person learning, which many Providers currently utilise and Providers may be slow or unwilling to migrate from these legacy approaches. As such, it is difficult to predict Provider demand for the OL Platform, Provider adoption and renewal, the rate at which existing Providers expand their engagement with the OL Platform, the size and growth rate of the market for the OL platform, the entry of competitive products into the market, or the success of existing competitive products.

Even if Providers want to adopt a cloud-based technology learning solution, it may take them a long time to fully transition to this type of learning solution or they could be delayed due to budget constraints, weakening economic conditions, or other factors.

Even if market demand for cloud-based technology learning solutions generally increases, the Company cannot guarantee that adoption of the OL Platform will also increase. If the market for cloud-based technology learning solutions does not grow as the Company's expects or the OL Platform does not achieve widespread adoption, it could result in reduced Course sign-ups, Provider attrition and decreased revenue, any of which would adversely affect the Company's business and results of operations.

(e) OL Platform Risk

OL Group will need to ensure that the OL Platform continues to be updated to add new features as new technologies are developed. The success of any enhancement or new feature depends on several factors, including OL Group's understanding of market demand, timely execution, successful introduction, and market acceptance. OL Group may not successfully develop new content and features or enhance the OL Platform to meet customer needs or new content and features and enhancements may not achieve adequate acceptance in the market.

The OL Platform hosts data on data centres provided by Microsoft Azure, a provider of cloud infrastructure services, for which Prestariang Systems Sdn Bhd acts as reseller to the Company. OL Group's operations therefore depend on the virtual cloud infrastructure hosted by Microsoft Azure as well as the information stored in these virtual data centres and which third-party internet service providers transmit. Any incident affecting Microsoft Azure's infrastructure could negatively affect the availability and reliability of the OL Platform. The Company is, to a lesser extent, reliant on Prestariang Systems Sdn Bhd continuing to act as reseller of Microsoft Azure to OL Group. However, should Prestariang Systems Sdn Bhd cease to act as reseller the Company considers that it will be able to obtain access to Microsoft Azure through Microsoft directly, or through another reseller on similar terms.

A prolonged Microsoft Azure service disruption affecting the OL Platform, or Microsoft Azure no longer being willing to offer their cloud infrastructure services, could damage OL Group's reputation, expose OL Group to liability, cause OL Group to lose customers, or otherwise harm OL Group's business. While alternative cloud infrastructure services are available, OL Group may incur significant costs and delays if it is required to transition to a new service provider, and using alternative cloud infrastructure providers may provide services on terms less favourable to those offered by Microsoft Azure.

Errors, failures, vulnerabilities, or bugs may occur in the OL platform, especially when updates are deployed or new features are rolled out. In addition, utilisation of the OL Platform in complicated, large-scale customer environments may expose errors, failures, vulnerabilities or bugs. Any such errors, failures, vulnerabilities or bugs may not be found until after they are deployed. As a provider of technology learning solutions, OL Group's brand and reputation is particularly sensitive to such errors, failures, vulnerabilities, or bugs, due to the fact that Providers' proprietary information will be available through the OL Platform. Any unauthorised access of Course content by third parties could expose the Company to significant liability.

Real or perceived errors, failures, vulnerabilities, or bugs in the OL Platform could result in negative publicity, loss of competitive position, loss of customer data, loss of or delay in market acceptance, or claims by Providers for losses sustained by them, all of which could harm OL Group's business and results of operations.

8. Risk Factors

(f) SaaS Risk

While OL Group has been operating for over 7 years, the SaaS model for generating revenue has only been operating for 2 years. This limited history with OL Group's SaaS model limits OL Group's ability to predict future cashflow requirements or forecast future results of operations. OL Group is not currently profitable and while OL Group considers the SaaS model to lead to it becoming profitable, there can be no certainty that this will eventuate.

OL Group relies on hosted SaaS applications from third parties in order to operate critical functions of the OL Platform, including content delivery, enterprise resource planning, customer relationship management, billing, project management, and accounting and financial reporting. If these services become unavailable due to extended outages, interruptions, or because they are no longer available on commercially reasonable terms, OL Group's expenses could increase, its ability to manage finances could be interrupted, and its processes for managing sales through the OL Platform and supporting Providers and learners could be impaired until equivalent services, if available, are identified, obtained, and implemented, all of which could adversely affect OL Group's business.

(g) Privacy and Data Collection Risk

Use of the OL Platform involves the storage, transmission, and processing of data from Providers and learners, including certain personal or individually identifying information. Personal privacy, information security, and data protection are significant issues. The regulatory framework governing the collection, processing, storage, and use of business information, particularly information that includes personal data, is rapidly evolving and any failure or perceived failure to comply with applicable privacy, security, or data protection laws, regulations or contractual obligations may adversely affect OL Group's business.

(h) Reliance on the Internet

The OL Platform depends on the availability of the internet, and to a lesser extent the quality of users' access to the internet. Certain features of the OL Platform require significant bandwidth and fidelity to work effectively.

Internet access is frequently provided by companies that have significant market power that could take actions that degrade, disrupt, or increase the cost of user access to the OL Platform, which would negatively impact OL Group. OL Group could incur greater operating expenses and its ability to acquire and retain customers could be negatively impacted if network operators: implement usage-based pricing; discount pricing for competitive products; otherwise materially change their pricing rates or schemes; charge OL Group to deliver traffic at certain levels or at all; throttle traffic based on its source or type; implement bandwidth caps or other usage restrictions; or otherwise try to monetize or control access to their networks.

In addition, there are various laws and regulations that could impede the growth of the internet or other online services, and new laws and regulations may be adopted in the future. These laws and regulations could, in addition to limiting internet neutrality, involve taxation, tariffs, privacy, data protection, information security, content, copyrights, distribution, electronic contracts and other communications, consumer protection, and the characteristics and quality of services, any of which could decrease the demand for, or the usage of, the OL Platform. These changes or increased costs could materially harm OL Group's business, results of operations, and financial condition.

(i) Marketing Risk

OL Group's ability to broaden its Provider base and achieve broader market acceptance of the OL Platform will depend to a significant extent on the ability of its sales and marketing team to work together to drive its sales pipeline and cultivate Provider relationships to drive revenue growth.

OL Group has invested in, and plans to continue, expanding its sales and marketing activities. Identifying, recruiting, and training sales personnel will require significant time, expense, and attention. OL Group also plans to dedicate significant resources to sales and marketing programs. If OL Group is unable to hire, develop, and retain talented sales or marketing personnel, if OL Group's new sales or marketing personnel are unable to achieve desired productivity levels in a reasonable period of time, or if OL Group's sales and marketing programs are not effective, its ability to broaden our customer base and achieve broader market acceptance of the OL Platform could be harmed. In addition, the investments OL Group makes in its sales and marketing team will occur in advance of experiencing benefits from such investments, making it difficult to determine in a timely manner if it is efficiently allocating resources in these areas.

(j) Competition Risk

The market for online learning solutions is highly competitive, rapidly evolving, and fragmented, and OL Group expects competition to continue to increase in the future. A significant number of companies have developed, or are developing, products and services that currently, or in the future may, compete with OL Group's offerings. There are also existing competitors operating in jurisdictions outside of OL Group's Primary Markets. This competition, or a movement of competitors into OL Group's Primary Markets, could result in decreased revenue, increased pricing pressure, increased sales and marketing expenses, and loss of market share, any of which could adversely affect OL Group's business, results of operations, and financial condition.

Many of OL Group's competitors and potential competitors are larger and have greater brand name recognition, longer operating histories, larger marketing budgets and established customer relationships, access to larger customer bases and significantly greater resources for the development of their solutions. In addition, OL Group face potential competition from participants in adjacent markets that may enter its markets by leveraging related technologies and partnering with or acquiring other companies, or providing alternative approaches to provide similar results.

(k) Reliance on key management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(l) International operations

The Company operates primarily in Australia, Singapore and Malaysia, as well as other international jurisdictions, which may increase at a later date.

The Company's operations could therefore be subject to a number of risks inherent in global operations, including political and economic instability in foreign markets, inconsistent product regulation by foreign agencies or governments, imposition of product tariffs and burdens, cost of complying with a wide variety of international regulatory requirements, risks stemming from the Company's lack of local business experience in specific foreign countries, foreign currency fluctuations, difficulty in enforcing intellectual property rights, foreign taxes, and language and other cultural barriers.

Additionally, operating an international business with a sales force managed from Australia, Singapore and Malaysia and with distributorships and sales in a number of legal jurisdictions will necessarily require substantial input from a variety of legal counsel and expose the Company to legal costs that may be disproportionately high relative to its revenues, and will be incurred regardless of whether the Company derives revenues from a given jurisdiction or at all.

(m) Acquisitions

The Company's growth strategy may involve finding and consummating acquisitions in areas complimentary to OL Group's business. The Company may not be successful in identifying and acquiring suitable acquisition targets at acceptable cost. Further, acquisitions may require additional funding on acceptable terms, which may or may not be available at the relevant time. The Company will experience competition in making acquisitions from larger companies with significantly greater resources.

(n) Protection of Intellectual Property Rights

The commercial value of the Company's intellectual property assets is dependent on any relevant legal protections. These legal mechanisms, however, do not guarantee that the intellectual property will be protected or that the Company's competitive position will be maintained. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive information, or that competitors will not be able to produce non-infringing competitive products. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. There can be no assurance that any intellectual property which the Company (or entities it deals with) may have an interest in now or in the future will afford the Company commercially significant protection of technologies, or that any of the projects that may arise from technologies will have commercial applications.

It is possible that third parties may assert intellectual property infringement, unfair competition or like claims against the Company under copyright, trade secret, patent, or other laws. While the Company is not aware of any claims of this nature in relation to any of the intellectual property rights in which it has or will acquire an interest, such claims, if made, may harm, directly or indirectly, the Company's business. If the Company is forced to defend claims of intellectual property infringement, whether they are with or without merit or are determined in the Company's favour, the costs of such litigation may be potentially significant and may divert management's attention from normal commercial operations.

8. Risk Factors

(o) Rapid growth risk

The Company aims to experience rapid growth in the scope of its operating activities which may expand operations in new jurisdictions. This growth is anticipated to result in an increased level of responsibility where if unable to be managed, will result in not being able to take advantage of market opportunities and execute its business plan or respond to competitive pressure.

(p) Strategies

There are no limits on strategies that the Company may pursue. The strategy discussed in this Prospectus may evolve over time due to, among other things, market developments and trends, technical challenges, the emergence of new or enhanced technology, changing regulation and/or industry practice, and otherwise in the Company's sole discretion. As a result, the strategy, approaches, markets and products described in this Prospectus may not reflect the strategies, approaches, markets and products relevant to, or pursued by, the Company at a later date.

8.4 Industry Risks

(a) Product liability

As with all products, there is no assurance that unforeseen adverse events or defects will not arise in the Company's products. Adverse events could expose the Company to product liability claims or litigation, resulting in the removal of regulatory approval for the relevant products and/or monetary damages being awarded against the Company. In such event, the Company's liability may exceed the Company's insurance coverage, if any.

(b) Disputes

The activities of the Company may result in disputes with third parties, including, without limitation, the Company's investors, competitors, regulators, partners, distributors, customers, directors, officers and employees, and service providers. The Company may incur substantial costs in connection with such disputes.

Further, a change in strategy may involve material and as yet unanticipated risks, as well as a high degree of risk, including a higher degree of risk than the Company's strategy in place as of the date hereof.

(c) Loss of Customers

OL Group has established important relationships through development of its business to date. The loss of one or more customers through termination or expiry of contracts may adversely affect the operating results of the Company.

(d) Litigation

The Company is exposed to possible litigation risks including, but not limited to, intellectual property ownership disputes, contractual claims, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(e) Data loss, theft or corruption

The Company will store data in its own systems and networks and also with a variety of third party service providers. Exploitation or hacking of any of the Company's systems or networks could lead to corruption, theft or loss of the data which could have a material adverse effect on the Company's business, financial condition and results. Further, if the Company's systems, networks or technology are subject to any type of 'cyber' crime, its technology may be perceived as unsecure which may lead to a decrease in the number of customers.

The Company has not been hacked, but it is possible that the Company may experience negative publicity if their systems are able to be hacked at some point in the future.

(f) Foreign exchange

The Company will be operating in a variety of jurisdictions, including Australia, Singapore and Malaysia, and as such, expects to generate revenue and incur costs and expenses in AUD, USD, SGD and MYR. Consequently, movements in currency exchange rates may adversely or beneficially affect the Company's results or operations and cash flows. For example, the appreciation or depreciation of the US dollar relative to the Australian dollar would result in a foreign currency loss or gain. Any depreciation of currencies in foreign jurisdictions in which the Company operates may result in lower than anticipated revenue, profit and earnings of the Company.

(g) Insurance coverage

The Company faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. The Company proposes to arrange and maintain insurance coverage for its employees, as well as directors and officers liability insurance, however it does not currently propose to arrange and maintain business interruption insurance or insurance against claims for certain property damage. The Company will need to review its insurance requirements periodically. If the Company incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, the Company's financial position and financial performance may be adversely affected.

The Company considers that it has sufficient insurance policies in place in respect of its business and assets. However, the occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(h) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Public Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development and research programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

8.5 General Risks

(a) Economic conditions and other global or national issues

General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations.

(b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology or defence stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Further, the value of the Shares may fluctuate more sharply than that of other securities, given the low per Share pricing of the Shares under the Prospectus, and the fact that investment in the Company is highly speculative.

(c) Price of Shares

As a publicly-listed company on ASX, the Company will be subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in its Share price. The price at which Shares are quoted on ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the Public Offer price. There is no assurance that the price of the Shares will increase or not decrease following the commencement of quotation on ASX, even if the Company's earnings increase.

Further, after the end of the relevant escrow periods affecting Shares in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price. Please refer to Section 6.14 for further details on the Shares likely to be classified by the ASX as restricted securities.

8. Risk Factors

(d) Taxation risk

The acquisition and disposal of Shares will have tax consequences for investors, which will vary depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent professional taxation and financial advice about the consequences of acquiring and disposing of Securities from a taxation viewpoint and generally.

(e) Investment speculative

The risk factors set out in this Prospectus ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. These factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

9.

Board, Key Management and Corporate Governance

9. Board, Key Management and Corporate Governance

9.1 Board of Directors

Mr Kevin Barry (BComm, LLB) – Non-Executive Chairman (Independent)

Kevin is a director of TCAP Australia and Thakral Capital Holdings. His responsibilities include execution of investment opportunities, oversight and management of development projects, origination of senior construction and investment finance. Kevin is also the TCAP group representative director for the GemLife retirement business.

Kevin has over 24 years' experience in law, property finance and funds management. Initially he started as a structured finance lawyer in Sydney with KPMG & Blake Dawson, and then London with Norton Rose. In 2001, he moved to investment banking at Zurich Capital Markets Asia where he was Senior Vice President responsible for the structuring and execution of their principal finance business. He subsequently managed the CHOPIN structured finance business whose primary activities included originating fixed income products across various asset classes. Prior to joining the TCAP group, Kevin was involved in setting up the credit strategies funds management business at Pengana Capital. Since 2010, Kevin has been on the Board as Chairman of the ASX listed ICS Global Limited (ASX: ICS).

Kevin has a Bachelor of Commerce and Bachelor of Laws from the University of New South Wales and is a practicing solicitor in New South Wales.

Mr Adam Brimo (B.Eng (Software), B. Arts (Politics)) – Executive Director, Managing Director and Group CEO (Non-Independent)

Adam holds Bachelor of Engineering (Software) and a Bachelor Arts (Politics) degrees from UNSW (University of New South Wales), and is a recipient of the 2011 UNSW Alumni Graduated Award. Adam completed his honours thesis at UNSW in partnership with National ICT Australia (NICTA). He is listed in the 2017 Forbes 30 Under 30 Asia for Consumer Technology and in The Pearcay Foundation 2018 NSW Tech Entrepreneur Hall of Fame.

Adam previously worked at Macquarie Bank as a Software Engineer in the Fixed Income, Currencies and Commodities Group and at Westpac Institutional Bank as a Senior Software Engineer.

In 2010-2011, Adam led the successful Vodafail consumer activist campaign, which resulted in nationwide media coverage, an ACMA inquiry and a \$1bn network upgrade for Vodafone's Australian business. Adam was named the Consumer Activist of the Year in 2011 by Choice Magazine for his transformative impact on the telecommunications sector in Australia.

In 2012, Adam joined UNSW Professor Richard Buckland and David Collien to found OpenLearning.com, a social learning platform. Over 1.65 million students have joined courses, including the first massive open online courses (MOOCs) from Australia and Malaysia.

Mr Spiro Pappas (BComm (Merit), AICD) – Non-Executive Director (Independent)

Mr Spiro Pappas is a former senior executive of NAB. In his almost 10 years at NAB, Spiro performed several leadership roles including Executive General Manager of Global Institutional Banking, CEO of Asia and Executive General Manager of International and Innovation.

Prior to NAB, Spiro spent over 2 years in London and New York with Deutsche Bank and then 11 years in London with ABN AMRO/RBS where he managed a number of global businesses including Debt Capital Markets, Client Coverage for Financial Institutions and Corporate Finance and Advisory.

Mr Pappas has also served on the Advisory Board of both the Australia China Business Council and the Australia Japan Business Cooperation Council and is a Board Member of the European Australian Business Council. He is currently the Chairman of Atlas Iron, ASX-listed Splitit (a global payments Fintech) and Cognian Technologies (an innovative Australian wireless lighting technology company).

Spiro was also recently a member of a taskforce advising the Federal Government on how to enable the SME sector for the digital age.

Mr David Buckingham (Engineering Science BTech (Hons), ACA ICAEW, GAICD) – Non-Executive Director (Non-Independent)

Mr Buckingham holds a Bachelor of Engineering (Hons) from Loughborough University, CA UK, UK ACT and GAICD. He was most recently the Group CEO and Managing Director of Navitas (ASX: NVT) from 2017-2019 and the CFO from 2016-2017.

Mr Buckingham has a diverse educational background and impressive career which he began in the United Kingdom with PricewaterhouseCoopers. He later moved into the telecommunications industry to which he devoted much of his career. He has worked for Telewest Global as the Group Treasurer and Director of Financial Planning, Virginmedia, as Finance Director Business Division and iiNet where he held the roles of Chief Financial Officer and Chief Executive Officer between 2008 and 2015.

Emeritus Professor Beverley Oliver (BA(Hons) M.Phil PhD W.Aust, GradDipEd Murdoch, GAICD PFHEA) – Non-Executive Director (Independent)

Emeritus Professor Beverley Oliver is an education change leader, a Principal Fellow of the Higher Education Academy, and an Australian National Teaching Fellow. She works as a higher education consultant and researcher in areas such as digital education, micro-credentials, curriculum transformation, quality assurance and graduate employability. She is the founder and editor of the Journal of Teaching and Learning for Graduate Employability.

Beverley was Deputy Vice-Chancellor Education at Deakin University (2013-2018), Deputy Chair of Universities Australia's Deputy Vice-Chancellors (Academic) (2018) and Deputy Chair of the Board of EduGrowth, a not-for-profit entity and Australia's acceleration network for high-growth, scalable, borderless education (2016-18).

Beverley's leadership has been recognised through two national Citations for Outstanding Contributions to Student Learning and several nationally funded grants and two fellowships. In 2017, she was awarded Deakin University's highest honour, the title of Alfred Deakin Professor, for her outstanding and sustained contribution to conceptualising the strategic enhancement of courses in the digital economy and furthering Deakin University's research and scholarship in the field of higher education.

Maya Hari (MBA, MS Engineering) – Non-Executive Director (Independent)

Maya Hari is the VP & Managing Director, Asia Pacific at Twitter. Asia Pacific has been the growth engine for Twitter in recent years. Maya's focus has been to fuel Twitter strategy and rapid growth in key markets such as China, India, Australia and Indonesia. Maya brings diverse business experience having led functions in Sales, Marketing & Product Management. She serves Chairperson of TIE in Singapore (Non-Profit focused on fuelling the entrepreneurial ecosystem).

Prior to Twitter, Maya spent 16+ years in the digital media, mobile and eCommerce in the US and in Asia Pacific region for brands such as Google, Samsung, Microsoft & Cisco. She was also responsible for the digital transformation & re-engineering of media powerhouse Conde Nast in Asia – launching and bringing internet and mobile offerings for top tier publication titles such as Vogue, GQ and Condé Nast Traveller.

9.2 Company Secretary

Justyn Stedwell – Company Secretary

Justyn is the founder and Managing Director of Stedwell Corporate Pty Ltd, a Melbourne based Company Secretary and corporate services advisory business with three employees and approximately 15 ASX listed clients. Stedwell Corporate provides a range of Company Secretary and corporate services to ASX listed companies and companies seeking to list on ASX. Current ASX listed clients include: Atrium Coal Ltd (ASX:ATU), Rectifier Technologies Limited (ASX:RFT), Jatenergy Limited (ASX:JAT), Fertoz Ltd (ASX:FTZ), Genetic Technologies Limited (ASX:GTG), Candy Club Holdings Limited (ASX:CLB), Tymlez Group Limited (ASX:TYM), Lifespot Health Limited (ASX:LSH), Golden Mile Resources Limited (ASX:G88), UltraCharge Ltd (ASX:UTR), Broo Limited (ASX:BEE), Allegra Orthopaedics Limited (ASX:AMT), TBG Diagnostics Limited (ASX:TDL), Cirralto Limited (ASX:CRO) and Lanka Graphite Limited (ASX:LGR).

9.3 Key Management

None of the parties set out below have been involved in the preparation of this Prospectus.

Huat Koh (B. Comm (Hon)) – CFO

Huat holds a Bachelor of Commerce (Honours) degree from the University of New South Wales and is a Certified Practising Accountant (CPA).

Huat was previously the CFO of Parkson Retail Asia Limited, an SGX listed department store operator in South-East Asia, with annual Group sales of approximately S\$1.0 billion (A\$950 million) and presence in Malaysia, Vietnam, Indonesia and Myanmar for a period of 5 years.

Prior to joining Parkson Limited, Huat was the General Manager Finance and Company Secretary for Mulpha International Bhd in Malaysia. Mulpha is involved in property development and hospitality industries in Malaysia and Australia, with annual Group revenue of approximately RM900 million (A\$280 million). Assets owned in Australia include Norwest Business Park in Sydney, Intercontinental Sydney, Sanctuary Cove and Hayman Island in Queensland.

Huat returned to Australia in 2017 to spend more time with his family and joined OpenLearning as its first Head of Finance.

9. Board, Key Management and Corporate Governance

Cherie Diaz – Managing Director, OL Australia

Cherie holds a B. Teaching/B. Arts from Australian Catholic University, M. Arts (History) from Macquarie University, M. Arts (Education) from University Technology Sydney.

A commercial executive, with end-to-end operational experience across corporate, vocational, and higher education institutions. Thrives on leading growth through customer-centric operations and business efficiencies; driven by data-driven insights, planning and forecasting.

Cherie is the former Head of Education Delivery at the Australian Institute of Company Directors, Director of Customer Success at Scintia, National Head of Academy and Head of College/Registered CEO at Study Group Australia, L&D Specialist at Staples Australia and New Zealand, and a Training Consultant at Ernst & Young.

Cherie has had P&L ownership in multiple roles and has consistently delivered results, including at Scintia, where she led a division of 145 staff and 340 contractors across 6 colleges such as Ivy College and the Australian Institute of Management (AIMET).

Sarveen Kandiah – Managing Director, OL Malaysia

Sarveen holds a B. Science (Finance) from Indiana University's Kelley School of Business and was previously a Manager at CIMB Group, one of Malaysia's largest retail and institutional banks and VP Investments at Malayan Traders Capital, a boutique asset management firm.

Sarveen was appointed as MD Malaysia in May 2019. He joined OpenLearning in 2017 as Head of Partnerships and established the sales and partnerships teams in Malaysia. With a background in investment banking, Sarveen has worked closely with government, academic and TVET institutions, as well as corporations at all levels. Having been front and centre in OpenLearning Malaysia's growth over the last two years, Sarveen will set the strategy for the next level of growth and will be leading its implementation, as well as guiding our Malaysian team forward.

David Collien – CTO

David was formerly researching Computer Science and Education as part of a PhD programme at UNSW, covering the topics of pedagogy, motivational mechanics, and social dynamics which facilitate effective online learning communities, self-directed learning and online heutagogy. (BSc. Computer Science – Hons. 1st Class).

His skills in developing courses, experiential activities and curriculums were practiced as the founder and coordinator/head teacher of the UNSW Computing High-schools outreach programme, a guest lecturer for several UNSW courses, and as an experienced Computer Science classroom teacher at the university.

David's Computer Science specialisation is in A.I. (Machine Learning), and he has conducted research at NICTA (now Data61) and competed internationally (in Suzhou, China) with the rUNSWift robotics team. He has held previous research, pedagogical liaison, and software development positions with the UNSW Adaptive eLearning Research Group and Smart Sparrow.

After founding OpenLearning, David graduated from Telstra's Muru-D programme and is actively involved in the Sydney edu-tech and startup scenes.

David was awarded the BCB CIO Award for his role in leading a software development project while employed as a Software Engineer at Westpac's BCB IT strategic planning unit, where his project was deployed throughout the unit to manage and plan workforce personnel and resources.

9.4 Management and Consultants

The Company is aware of the need to have sufficient management to properly supervise its operations, expansion and research and development, and the Board will continually monitor the Company's management capabilities to ensure they are fully adequate. The Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management oversight of the Company's activities.

9.5 Director Remuneration

For each of the Directors, the proposed annual remuneration is set out in the table below.

Director	Remuneration ¹
Kevin Barry	\$70,000
Adam Brimo ²	\$200,000
Spiro Pappas ³	\$50,000
David Buckingham	\$50,000
Emeritus Professor Beverley Oliver	\$50,000
Maya Hari	\$50,000

Notes:

1. Annual remuneration payable on and from completion of the Acquisitions.
2. Adam Brimo is also entitled to a once off bonus of \$50,000 upon the Company being admitted to the Official List of ASX and a performance bonus of up to \$75,000 payable based upon OL Group reporting a growth in its year on year annual recurring revenue growth for the period 31 December 2019 to 31 December 2020, further details of which are set out in Section 10.4.1
3. Spiro Pappas is also entitled to 958,333 Shares in consideration for corporate advisory services provided to the Company and OL Singapore prior to listing.

9.6 Director interests in Securities

Directors are not required under the Company's current constitution to hold any Shares to be eligible to act as a director.

Details of the Directors' relevant interest in the Securities of the Company upon completion of the Offers, including any securities held by their spouses or entities that they control, are set out in the table below (assuming Minimum Subscription and that each of the Directors do not take up Shares under the Public Offer):

Director	Shares	Options	Performance Rights	% (undiluted)	% (fully diluted)
Kevin Barry ¹	1,639,788	1,534,225	Nil	1.26%	1.86%
Adam Brimo ²	6,532,475	126,358	2,000,000	5.04%	5.07%
Spiro Pappas ³	3,679,091	1,547,508	Nil	2.84%	3.06%
David Buckingham ⁴	416,666	1,416,666	750,000	0.32%	1.51%
Emeritus Professor Beverley Oliver ⁵	Nil	1,000,000	Nil	Nil	0.59%
Maya Hari ⁵	Nil	1,000,000	Nil	Nil	0.59%

Notes:

1. Including 619,004 Consideration Shares, 486,559 Consideration Shares to be issued to Australian Forestry Investments Pty Ltd (a company controlled by Mr Barry), 534,225 Shares and 534,225 Convertible Note Options to be issued to Australian Forestry Investments Pty Ltd on conversion of Convertible Notes and 1,000,000 Director Options.
2. Including 1 Share held at the date of this Prospectus, 6,406,116 Consideration Shares, 126,358 Shares and 126,358 Convertible Note Options to be issued to Melissa Ran (wife of Mr Brimo) on conversion of Convertible Notes.
3. Including 2,173,250 Consideration Shares to be issued to Nicollete Harper (wife of Mr Pappas), 547,508 Shares and 547,508 Convertible Note Options to be issued to Nicollete Harper upon conversion of Convertible Notes, 1,000,000 Director Options and 958,333 Shares to be issued in consideration for advisory services.
4. Including 416,666 Shares and 416,666 Convertible Note Option to be issued on conversion of Convertible Notes and 1,000,000 Director Options.
5. Each of Ms Oliver and Ms Hari will be granted 1,000,000 Director Options.

9. Board, Key Management and Corporate Governance

9.7 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section on the Company's website www.openlearning.com.

Board of directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

- (a) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (b) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

At listing, the Board will consist of six Directors (five Non-Executive Directors and one Executive Director) of whom Kevin Barry, Spiro Pappas, Emeritus Professor Beverley Oliver and Maya Hari are considered independent. The Board considers the current balance of skills and expertise to be appropriate given the Company for its currently planned level of activity.

The Company is committed to workplace diversity. The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive. The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience. The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's Diversity Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in the Company's Anti-Bribery and Anti-Corruption Policy. In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$400,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having regard to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that the written acknowledgement of the Chair (in the case of Directors), the Managing Director (in the case of the Chairman and other key management personnel) or Board (in all cases) must be obtained prior to trading.

External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

9. Board, Key Management and Corporate Governance

Audit committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

Diversity policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

9.8 Departures from Recommendations

Following admission to the Official List of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the date of this Prospectus will be announced upon its admission to the Official List of ASX.

10. Material Contracts

10. Material Contracts

10.1 Capital Raising Agreements

10.1.1 Lead Manager Mandate

The Company has entered into a lead manager mandate (**Mandate**) with Canaccord Genuity Patersons Limited (**Lead Manager** or **Canaccord Genuity**), pursuant to which Canaccord Genuity has agreed to manage the Public Offer, the material terms and conditions of which are summarised below:

Fees and Expenses	<p>The Company will pay Canaccord Genuity the following in consideration for its role as Lead Manager:</p> <ul style="list-style-type: none">(a) a lead manager fee of 2% of the proceeds raised under the Public Offer; and(b) a selling fee of 3% of the proceeds raised under the Public Offer by investors introduced by Canaccord Genuity (Selling Fee). <p>The Company has also agreed to Pay to Canaccord Genuity a retainer of \$12,500 per month for a minimum of 12 months following the date of the Mandate (being the period expiring on 18 October 2020) and to reimburse Canaccord Genuity for expenses reasonably incurred in respect of the Public Offer (including legal fees). Any single expenditure item in excess of \$2,000 shall be subject to prior approval from the Company.</p> <p>Any broker fees payable to any co-managers, other brokers or intermediaries will be paid from the fees payable to Canaccord Genuity.</p>
Future Capital Raisings	<p>The Company has agreed to offer Canaccord Genuity the lead role in any further equity capital raisings undertaken in connection with the Company within 12 months the date of the Mandate (Exclusivity Period), subject to competitive terms relative to market practices at the time.</p> <p>This right will not be afforded to Canaccord Genuity if:</p> <ul style="list-style-type: none">(a) the Mandate is terminated prior to completion of the Public Offer; or(b) if any of the key personnel from Canaccord Genuity involved in the Public Offer cease employment with Canaccord Genuity. <p>If during the Exclusive Period, the Company issues any equity or debt interest to any party that was introduced to the Company by Canaccord Genuity, the Company must pay the Selling Fee to Canaccord Genuity (together with any applicable GST).</p>
Termination	<p>The Mandate may be terminated by the Company at any time before Canaccord Genuity has extended any "firm commitment" offer to any investor to participate in the IPO:</p> <ul style="list-style-type: none">(a) if either of the key personnel to the Public Offer cease employment with Canaccord Genuity at any time;(b) if Canaccord Genuity fail to rectify any material breach of the Mandate having been given 10 business days' notice in writing by the Company of such breach having occurred; or(c) on a no fault basis with 10 business days' notice in writing by the Company. <p>Canaccord Genuity may terminate the Mandate at any time prior to completion of the Public Offer on the occurrence of a number of standard termination events.</p>

The Mandate contains other standard indemnities, terms and conditions expected to be included in a mandate of this nature.

10.1.2 Convertible Note Agreements

OL Singapore has entered into convertible note agreements (**Convertible Note Agreements**) with various investors (**Noteholders**) under which convertible notes (**Convertible Notes**) have been issued with an aggregate face value of \$3,700,000 (**Face Value**).

The key terms of the Convertible Note Agreements are as follows:

Conversion/Redemption	If the Convertible Notes have not converted or been redeemed prior to 30 March 2020, OL Singapore may elect to either: <ul style="list-style-type: none">(a) convert the Face Value of the Convertible Notes into OL Singapore shares at a price equal to the average price per share based on a \$15 million pre-money valuation (Share Valuation), together with one option (exercisable at a 60% premium to the Share Valuation within 2 years from the date of issue) for every share issued; or(b) redeem the Convertible Notes through payment of a cash sum equal to a 40% premium to the Face Value (Repayment Amount).
Automatic Conversion	The Face Value of each Convertible Note will automatically convert into Shares immediately prior to listing on the ASX at a deemed issue price of \$0.12 per Share, together with one Convertible Note Option for every Share issued to them upon conversion of the Convertible Notes. Each Noteholder has agreed that OL Singapore's obligations on conversion of the Convertible Notes can be satisfied by the Company in the event the Acquisitions complete.
Interest	The Convertible Notes do not accrue interest.
Security	OL Singapore's obligations under the Convertible Notes are unsecured.
Events of Default	At the election of the Noteholder, the Repayment Amount becomes immediately due and payable on the occurrence of the following events of default: <ul style="list-style-type: none">(a) OL Singapore defaults in the due and punctual payment of any money owing under the Convertible Note Agreement (whether or not formally demanded in writing);(b) OL Singapore defaults in the observance or performance of any of the obligations contained in the Convertible Note Agreement and such default is not remedied within 14 days of issue by the Noteholder of a written notice of default;(c) an application or order is made for the winding up of OL Singapore or for the appointment of a liquidator;(d) OL Singapore passes a resolution for its winding up; or(e) the process of any court of authority is invoked against OL Singapore or a material part of its property to enforce any judgment or order for any amount exceeding \$250,000.

The Convertible Note Agreements otherwise contain terms and conditions including provisions for representations and warranties considered standard for an agreement of this nature.

10.2 Acquisition Agreements

The Company has entered into a binding acquisition agreements with the shareholders in each of OL Singapore (**OL Singapore Acquisition Agreement**) and OL Investors (**OL Investors Acquisition Agreement**) (together, the **Acquisition Agreements**) pursuant to which the Company has the conditional right to acquire 100% of the issued capital of OL Singapore and OL Investors, thereby acquiring a 100% legal and beneficial interest in OL Group (**Acquisitions**).

The key terms of the Acquisition Agreements are as follows:

Consideration	In consideration for the Acquisitions, and subject to the satisfaction or waiver of the conditions precedent, the Company will issue 65,000,000 Shares to the shareholders in OL Singapore and OL Investors (Vendors).
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10. Material Contracts

Conditions Precedent	<p>The Acquisitions are conditional upon the satisfaction or waiver of the following conditions precedent:</p> <ul style="list-style-type: none">(a) the Company undertaking a capital raising and receiving valid applications for at least \$4,000,000 worth of Shares under the capital raising;(b) in respect of:<ul style="list-style-type: none">(i) the OL Investors Acquisition Agreement – the parties to the OL Singapore Acquisition Agreement being ready, willing and able to complete; and(ii) the OL Singapore Acquisition Agreement – the OL Investors Acquisition Agreement having completed; and(c) conditional approval being obtained from ASX to admit the securities of the Company to be traded on the ASX (after the Company complies with Chapters 1 and 2 of the ASX Listing Rules) and those conditions being to the reasonable satisfaction of the Company, OL Singapore and OL Investors.
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The Acquisition Agreements otherwise contain terms and conditions considered standard for agreements of their nature, provided that no warranties are given in respect of the assets and undertakings of OL Singapore and OL Investors.

10.3 Operational Agreements

10.3.1 Platform Agreements

OL Australia and OL Malaysia are party to licence and services agreements (**Platform Agreements**) with various Providers. While there is some discrepancy between the Platform Agreements entered into with Providers by OL Australia and OL Malaysia due to legal requirements in their respective jurisdictions, and changes to the form and certain terms of the Platform Agreement for certain Providers, the material terms of the Platform Agreements remain broadly consistent.

The key terms of the Platform Agreements are set out below:

Term	<p>The Platform Agreements typically have a fixed term of three years (Term), which automatically renews for successive one year period unless either party provides written notice to the other of its desire not to renew the Term.</p> <p>The automatic renewal provision is not applicable to certain larger Providers, who are required to give notice of extensions to the Term to OL Group, or to agree the terms for an extension of the Term prior to the Term expiring.</p>
Licence	<p>OL Group grants a non-exclusive, non-transferrable licence (Licence) to utilise the Platform for the duration of the Terms, for the purpose of enabling the Provider to offer and deliver Courses via the OL Platform.</p>
Services	<p>Pursuant to a Platform Agreement, OL Group agrees to provide the following services to Providers:</p> <ul style="list-style-type: none">(a) hosting services on a tiered priority level at tiered pricing arrangements for utilisation of the OL Platform and associated support (Hosting Services); and(b) Design Services and technology integration services charged either:<ul style="list-style-type: none">(i) on a time and materials basis; or(ii) on a fixed-project basis,each of which are set out in Work Orders agreed between OL Group and the Provider (refer below for further details).
Work Orders	<p>From time to time, a Provider may advise OL Group of any services required, following which OL Group prepares a quote. If the quote is agreed, OL Group will issue a work order (Work Order) to the Provider, which is signed and becomes binding on OL Group and the Provider.</p> <p>It is expressly acknowledged by OL Group that services will be requested by Providers on an 'as needs' basis and that there is no minimum value of Work Orders guaranteed under a Platform Agreement.</p>

Fees	<p>In addition to any fees agreed under a Work Order, Providers pay an annual fee to OL Group for Hosting Services, further details of which are set out in Section 6.4.1 (Hosting Fee). The Hosting Fee is payable 14 days in advance of the commencement of a year within the Term.</p> <p>The Hosting Fee payable is tiered and agreed with Providers up-front based on the anticipated number of educators and/or unique learners to be undertaking Courses from the Provider. If in any year the number of educators and unique users is significantly higher than the tier which the Provider has agreed to, the Provider will be given 90 days' notice and then be upgraded to the appropriate tier of Hosting Services, with the increased Hosting Fee becoming payable.</p>
Termination	<p>Either party may terminate the Platform Agreement on written notice to the other party if an event of default occurs and the defaulting party has not remedied that default within 14 days of receiving notice, provided that the Provider can terminate the Platform Agreement immediately if:</p> <ul style="list-style-type: none"> (a) there is any reduction in OL Group's IT security standard, part of the services provided by OL Group is provided by a third party or if a third party provider of part of any service is changed; or (b) OL Group fails to meet the Hosting Services standards for any 3 months over a 12 month period. <p>Upon termination the Licence will immediately cease, the Provider must immediately cease utilising, or advertising its access to, the OL Platform and OL Group shall be under no obligation to provide any services to the Provider. Further, if the Platform Agreement is terminated, all outstanding Work Orders are automatically terminated unless otherwise agreed in writing and OL Group will refund the unused portion of any prepaid Hosting Fees or Work Orders. The Provider will remain obligated to pay for any services provided under any partially completed Work Order.</p> <p>Certain larger Providers are also entitled to terminate the Platform Agreement for convenience on specified notice periods, subject to a handover period to ensure Courses currently offered are not affected.</p>

The Platform Agreements otherwise contain terms and conditions considered standard for agreements of their nature.

10.4 Agreements with Directors and Management

10.4.1 Executive Services Agreement – Adam Brimo (Managing Director/CEO)

The Company and Mr Adam Brimo have entered into an executive services agreement (**ESA**) pursuant to which Mr Brimo will be appointed as Chief Executive Officer and Managing Director of the Company. The material terms of the ESA are as follows:

Remuneration	<p>The Company will pay Mr Brimo a salary of \$200,000 per annum (plus superannuation) on and from completion of the Acquisitions.</p> <p>In addition to the salary, Mr Brimo will be entitled to:</p> <ul style="list-style-type: none"> (a) a \$50,000 cash bonus upon the Company being admitted to the Official List of ASX; and (b) an incentive bonus of up to \$75,000 payable as follows: <ul style="list-style-type: none"> (i) an incentive bonus of up to \$50,000 calculated as the percentage of reported annual recurring revenue growth between 31 December 2019 and 31 December 2020 (ARR Growth) for OL Group, capped at 100%; (ii) an incentive bonus of up to \$25,000 based on achieving performance criteria set by the Board; and (iii) no incentive bonus will be payable in the event that ARR Growth is less than 30%, as verified by consolidated, audited financial statements for that reporting period for the Group or by the Company's auditor; and (c) 2,000,000 Performance Rights (the terms and conditions of which are set out in Section 11.4.
Term	<p>Mr Brimo's employment as Chief Executive Officer and Managing Director commences on the date the Company is admitted to the Official List of ASX.</p>

10. Material Contracts

Termination by Company

The Company may terminate Mr Brimo's employment in the following manner:

- (a) by giving not less than three (3) months' notice, provided that the Company will be required to pay Mr Brimo the equivalent of 3 months' salary at the end of the notice period or 6 months' salary if the notice period is dispensed with;
- (b) by giving not less than one (1) month's written notice if at any time Mr Brimo:
 - (i) is or becomes incapacitated by illness or injury of any kind which prevents Mr Brimo from performing his duties for a period of two (2) consecutive months or any periods aggregating two (2) months in any period of 12 months during the term of his employment;
 - (ii) is or becomes of unsound mind or under the control of any committee or officer under any law relating to mental health;
 - (iii) commits any serious or persistent breach of any of the provisions contained in the ESA and the breach is not remedied within 14 days of the receipt of written notice from the Company to Mr Brimo to do so;
 - (iv) in the reasonable opinion of the Board, is absent in, or demonstrates incompetence with regard to the performance of his duties, or is neglectful of any duties under the ESA or otherwise does not perform all duties under the ESA in a satisfactory manner, provided that Mr Brimo:
 - (A) has been counselled on at least three separate occasions of the specific matters complained of by the Board; and
 - (B) after each such occasion has been provided with a reasonable opportunity of at least a month to remedy the specific matters complained of by the Board;
 - (v) commits or becomes guilty of any gross misconduct; or
 - (vi) refuses or neglects to comply with any lawful reasonable direction or order given by the Company which Mr Brimo, after receipt of prior notice, has failed to rectify to the reasonable satisfaction of the Company within 21 business days of receipt of that notice; or
- (c) summarily without notice:
 - (i) if at any time Mr Brimo is convicted of any major criminal offence which brings the Company or any of its related bodies corporate into lasting disrepute, by giving notice effective immediately and without payment of any salary other than salary accrued to the date of termination; or
 - (ii) if Mr Brimo breaches the Company's internet policy or email policy; or
- (d) if Mr Brimo discloses, communicates, uses or misuses price sensitive information without the prior written consent of the Board except to the extent that Mr Brimo is required by law to disclose, communicate or use it.

Mr Brimo's employment agreement otherwise contains customary terms for an agreement of this nature, including in relation to intellectual property being the property of OL Group, restraint of trade and confidentiality.

10.4.2 Executive Services Agreement – David Collien (CTO)

OL Australia and Mr David Collien have entered into an employment agreement pursuant to which Mr Collien is appointed as “Chief Technology Officer” of the OL Australia. The material terms of the employment agreement are as follows:

Remuneration	OL Australia will pay Mr Collien a salary of \$150,000 per annum (plus superannuation). Mr Collien's salary will be reviewed every 12 months.
Term	Mr Collien's employment as Chief Technology Officer commenced on 17 February 2017 and will continue until the employment agreement is validly terminated in accordance with its terms.
Termination	<p>Either Mr Collien or the Company may terminate Mr Collien's employment by giving to the other written notice to that effect. The periods of notice are:</p> <ul style="list-style-type: none">(a) at least 2 months where the Employee has been employed for more than 1 year but less than 3 years; or(b) at least 3 months if the Employee has been employed for more than 3 years. <p>The Company may terminate Mr Collien's employment with immediate effect if Mr Collien engages in serious or wilful misconduct.</p>

Mr Collien's employment agreement otherwise contains customary terms for an agreement of this nature, including in relation to intellectual property being the property of OL Group, restraint of trade and confidentiality.

10.4.3 Executive Services Agreement – Huat Koh (CFO)

OL Australia and Mr Huat Koh have entered into an employment agreement pursuant to which Mr Koh is appointed as CFO of OL Group. The material terms of the employment agreement are as follows:

Remuneration	The Company will pay Mr Koh a salary of \$160,000 per annum (plus superannuation).
Term	Mr Koh's employment as CFO commenced on 23 October 2017 and will continue until the employment agreement is validly terminated in accordance with its terms.
Termination	<p>Either Mr Koh or the Company may terminate Mr Koh's employment by giving to the other written notice to that effect. The periods of notice are:</p> <ul style="list-style-type: none">(a) at least 2 months where the Employee has been employed for more than 1 year but less than 3 years; or(b) at least 3 months if the Employee has been employed for more than 3 years. <p>The Company may terminate Mr Koh's employment with immediate effect if Mr Koh engages in serious or wilful misconduct.</p>

Mr Koh's employment agreement otherwise contains customary terms for an agreement of this nature, including in relation to intellectual property being the property of OL Group, restraint of trade and confidentiality.

10. Material Contracts

10.4.4 Executive Services Agreement – Cherie Diaz (Managing Director – OL Australia)

OL Australia and Ms Cherie Diaz have entered into an employment agreement pursuant to which Ms Diaz is appointed as “Managing Director” of OL Australia. The material terms of the employment agreement are as follows:

Remuneration	<p>The Company will pay Ms Diaz a salary of \$220,000 per annum (plus superannuation).</p> <p>In addition to the salary, Ms Diaz will receive an incentive bonus of up to \$80,000 payable as follows:</p> <ul style="list-style-type: none">(a) an incentive bonus of up to \$60,000 calculated as the percentage of reported annual recurring revenue growth between 31 December 2019 and 31 December 2020 (ARR Growth) for OL Australia, capped at 100%;(b) an incentive bonus of up \$20,000 based on achieving performance criteria set by the Board; and(c) no incentive bonus will be payable in the event that ARR Growth is less than 30%, <p>as verified by consolidated, audited financial statements for that reporting period for the Group or by the Company's auditor.</p>
Term	<p>Ms Diaz's employment as Managing Director commenced on 30 July 2018 and will continue until the employment agreement is validly terminated in accordance with its terms.</p>
Termination	<p>Either Ms Diaz or the Company may terminate Ms Diaz's employment by giving to the other written notice to that effect. The periods of notice are:</p> <ul style="list-style-type: none">(a) at least 2 months where the Employee has been employed for more than 1 year but less than 3 years; or(b) at least 3 months if the Employee has been employed for more than 3 years. <p>The Company may terminate Ms Diaz's employment with immediate effect if Ms Diaz engages in serious or wilful misconduct.</p>

Ms Diaz's employment agreement otherwise contains customary terms for an agreement of this nature, including in relation to intellectual property being the property of OL Group, restraint of trade and confidentiality.

10.4.5 Executive Services Agreement – Sarveen Kandiah – Managing Director – OL Malaysia)

OL Malaysia and Mr Sarveen Kandiah have entered into an employment agreement pursuant to which Mr Kandiah is appointed as “Managing Director” of OL Malaysia. The material terms of the employment agreement are as follows:

Remuneration	<p>The Company will pay Mr Kandiah a salary of RM25,000 per month.</p> <p>In addition to the salary, Mr Kandiah will receive an incentive bonus of up to RM100,000 payable as follows:</p> <ul style="list-style-type: none">(a) an incentive bonus of up to RM75,000 calculated as the percentage of reported annual recurring revenue growth between 31 December 2019 and 31 December 2020 (ARR Growth) for OL Malaysia, capped at 100%;(b) an incentive bonus of up RM25,000 based on achieving performance criteria set by the Board; and(c) no incentive bonus will be payable in the event that ARR Growth is less than 30%, <p>as verified by consolidated, audited financial statements for that reporting period for the Group or by the Company's auditor.</p>
Term	<p>Mr Kandiah's employment as Managing Director commenced on 13 May 2019 and will continue until the employment agreement is validly terminated in accordance with its terms.</p>
Termination	<p>Either Mr Kandiah or the Company may terminate Mr Kandiah's employment by giving to the other written notice to that effect. The periods of notice are:</p> <ul style="list-style-type: none">(a) at least 2 months where the Employee has been employed for more than 1 year but less than 3 years; or(b) at least 3 months if the Employee has been employed for more than 3 years. <p>The Company may terminate Mr Kandiah's employment with immediate effect if Mr Kandiah engages in serious or wilful misconduct.</p>

Mr Kandiah's employment agreement otherwise contains customary terms for an agreement of this nature, including in relation to intellectual property being the property of OL Group, restraint of trade and confidentiality.

10.4.6 Non-Executive Director Appointments

Each Non-Executive Director and the Non-Executive Chairman has entered into appointment letters with the Company to act in the capacity of Non-Executive Directors and Non-Executive Chairman. These Directors will receive the remuneration set out in Section 9.5.

10.4.7 Deeds of Indemnity, Insurance and Access

The Company has entered into deeds of indemnity, insurance and access with each of the Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company or a related body corporate (subject to customary exceptions). The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers and other documents provided to the Board in certain circumstances.

11. Additional Information

11. Additional Information

11.1 Litigation

As at the date of this Prospectus, neither the Company nor the other entities in the OL Group are involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company or the OL Group.

11.2 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited). Amounts paid in advance of a call are ignored when calculating the proportion.

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid or credited as paid is of the total amounts paid and payable in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they believe to be justified subject to the requirements of the Corporations Act. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement, on such terms and conditions as the Directors think fit (a) a dividend reinvestment plan which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares and (b) a dividend election plan permitting holders of Shares to the extent that the Shares are fully paid, to have the option to elect to forego the right to share in any dividends (whether interim or otherwise) payable in respect of such Shares and to receive instead an issue of Shares credited as fully paid up to the extent as determined by the Directors.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

11. Additional Information

(e) Shareholder liability

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) Variation of rights

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

11.3 Terms and Conditions of Options

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (h), the amount payable upon exercise of each Option will:

- (i) Director Options: \$0.30;
- (ii) Advisor Options \$0.20; and
- (iii) Convertible Note Options: \$0.20,

(Exercise Price).

(c) Expiry Period and Date

Each Option will expire at 5:00 pm (WST) on the date that is:

- (i) Director Options three (3) years following their date of issue;
- (ii) Advisor Options: three (3) years following their date of issue; and
- (iii) Convertible Note Options: two (2) years following their date of issue,

(Expiry Date).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(e) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(f) Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case, no later than 20 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iii)(B) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(g) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(h) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(i) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(j) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(k) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

11.4 Terms and Conditions of the Performance Rights

The following is a summary of the key terms and conditions of the Performance Rights that have been adopted by the Company:

(a) Milestone

The Performance Rights shall vest (following which the holder of the Performance Rights (**Holder**) may elect to convert the Performance Rights into Shares) upon satisfaction of the following milestones (**Milestones**):

- (i) 50% of the Performance Rights held by each Holder will vest in the event that the annual recurring revenue of OL Group is equal to or greater than \$4,000,000 as at 31 December 2020; and
- (ii) 50% of the Performance Rights held by each Holder will vest in the event that the annual recurring revenue of OL Group is equal to or greater than \$8,000,000 as at 31 December 2021,

and the relevant annual recurring revenue being confirmed by the signed attestation of a registered company auditor or is properly included in the Company's audited financial statements.

11. Additional Information

(b) Notification to Holder

The Company shall notify the Holder in writing when the Milestone has been satisfied.

(c) Consideration

The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the conversion of the Performance Rights.

(d) Conversion

Subject to paragraph (m) and satisfaction of the Milestone, each Performance Right will, at the election of the Holder, convert into one Share.

(e) Lapse of a Performance Right

If:

- (i) the Milestone attaching to a Performance Right has not been satisfied within the period required under the relevant Milestone; or
- (ii) the Performance Rights have not converted into Shares within 5 years of the Company's admission to the Official List,

(Expiry Date), it will automatically lapse and the Holder shall have no entitlement to the Shares pursuant to those Performance Rights.

(f) Share ranking

All Shares issued upon the conversion of Performance Rights will upon issue rank pari passu in all respects with other Shares.

(g) Application to ASX

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(h) Transfer of Performance Rights

The Performance Rights are not transferable.

(i) Participation in new issues

A Performance Right does not entitle a Holder (in their capacity as a Holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(j) Reorganisation of capital

If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(k) Adjustment for bonus issue

If the Company makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the Holder would have received if the Holder had converted the Performance Right before the record date for the bonus issue.

(l) Dividend and Voting Rights

The Performance Rights do not confer on the Holder an entitlement to vote (except as otherwise required by law) or receive dividends (whether fixed or at the discretion of directors).

(m) Deferral of conversion if resulting in a prohibited acquisition of Shares

If the conversion of a Performance Right would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) Holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a Holder request a Holder to provide the written notice referred to in paragraph (i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(n) No rights to return of capital

A Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(o) Rights on winding up

A Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.

(p) No other rights

A Performance Right gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

11.5 Employee Incentive Plan

The Company has adopted an employee performance rights and option plan (**Performance Rights and Option Plan**) on the terms and conditions as set out below:

The key terms of the Performance Rights and Option Plan (**Plan**) are as follows:

(a) Eligibility

Participants in the Plan consist of:

- (i) a Director (whether executive or non-executive) of the Company and any associated body corporate of the Company (each a **Group Company**);
- (ii) a full or part time employee of any Group Company;
- (iii) a casual employee or contractor of a group company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
- (iv) a prospective participant, being a person to whom the offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming a under subparagraphs (i), (ii) or (iii) above,

who is declared by the Board to be eligible to receive grants of Options or Performance Rights (together, **Awards**) under the Plan (Eligible Participant).

(b) Offer

The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for Awards, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (**Offer**).

11. Additional Information

(c) Limit on Offers

Where the Company has relied or intends relying on the Class Order to make an Offer, the Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Awards offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Public Offer.

(d) Issue price

Unless the Awards are quoted on the ASX, Awards issued under the Plan will be issued for no more than nominal cash consideration.

(e) Exercise Price

The Board may determine the Option exercise price (if any) for an Option offered under that Offer in its absolute discretion. To the extent the ASX Listing Rules specify or require a minimum price, the Option Exercise Price in respect of an Option offered under an Offer must not be less than any minimum price specified in the ASX Listing Rules.

(f) Vesting Conditions

In respect of any Award, any condition set out in the Offer which must be satisfied (unless waived in accordance with the Plan) before that Award can be exercised or any other restriction on exercise of that Award specified in the Offer or in the Plan (**Vesting Conditions**).

(g) Vesting

The Board may in its absolute discretion (except in respect of a change of control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Awards have been granted under the Plan or their nominee where the Awards have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Awards due to:

- (i) special circumstances arising in relation to a Relevant Person in respect of those Awards, being:
 - (A) a Relevant Person ceasing to be an Eligible Participant due to:
 - (I) death or total or permanent disability of a Relevant Person; or
 - (II) retirement or redundancy of a Relevant Person;
 - (B) a Relevant Person suffering severe financial hardship;
 - (C) any other circumstance stated to constitute "special circumstances" in the terms of the relevant Offer made to and accepted by the Participant; or
 - (D) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the Relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant; or
- (ii) a change of control occurring; or
- (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

(h) Lapse of an Award

An Award will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in, or hedging of, the Award occurring;
- (ii) a vesting condition in relation to the Award is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the vesting condition and vest the Award;
- (iii) in respect of an unvested Award only, a Relevant Person ceases to be an Eligible Participant, unless the Board:
 - (A) exercises its discretion to vest the Award; or
 - (B) in its absolute discretion, resolves to allow the unvested Award to remain unvested after the Relevant Person ceases to be an Eligible Participant;

- (iv) in respect of a vested Award only, a Relevant Person ceases to be an Eligible Participant and, where required by the Board in its absolute discretion, the vested Performance Right is not exercised within a one (1) month period (or such other period as the Board determines) as notified by the Board to the Participant after the date the Relevant Person ceases to be an Eligible Participant;
- (v) the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;
- (vi) the Company undergoes a change of control or a winding up resolution or order is made, and the Award does not vest; and
- (vii) the expiry date of the Award.

(i) Cashless exercise facility

If an Eligible Participant wishes to exercise some or all of their vested Options, they may, subject to Board approval, elect to pay the Option Exercise Price by using a cashless exercise facility, which entitles an Eligible Participant to set-off the Option exercise price against the number of Shares which the Participant is entitled to receive upon exercise of the Options as follows:

- (i) the aggregate total Option exercise price otherwise payable in respect of all vested Options exercised, less the aggregate total market value of Shares as at the date the vested Option is exercised that would otherwise be issued or transferred on exercise of the vested Options,
- (ii) divided by the market value of a Share as at the date the vested Option is exercised.

(j) Not transferrable

Awards are only transferrable in special circumstances or a change of control, and in either case with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death to the Participant's legal personable representative or upon bankruptcy to the Participant's trustee in bankruptcy.

(k) Shares

All shares issued on exercise of an Award under the Plan will rank equally in all respects with the shares of the same class for the time being on issue except as regards any rights attaching to such shares by reference to a record date prior to the date of their issue.

(l) Sale Restrictions

The Board may, in its discretion, determine at any time up until exercise of Awards, that a restriction period will apply to some or all of the shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Awards up to a maximum of five (5) years from the grant date of the Awards. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.

(m) No Participation Rights

There are no participation rights or entitlements inherent in the Awards and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Awards without exercising the Award.

(n) Change in exercise price of number of underlying securities

An Award does not confer the right to a change in exercise price or in the number of underlying Shares over which the Award can be exercised.

(o) Reorganisation

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Award are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(p) Trust

The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Awards, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Plan to affect the establishment of such a trust and the appointment of such a trustee.

11. Additional Information

11.6 ASX Waivers and ASIC Relief

The Company has applied for a waiver of ASX Listing Rule 9.1.3 to give the benefit of 'look through relief' to the Vendors and the holders of Convertible Notes, such that the proportion of Shares subject to ASX imposed escrow will take into account the value of their investments in OL Group and the deemed date of issue of the Shares they receive will be the date of issue of their shares in OL Singapore, OL Investors or the date of issue of the Convertible Notes.

11.7 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

11.8 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (d) the formation or promotion of the Company; or
- (e) the Offers.

Hall Chadwick Corporate (NSW) Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Annexure A of this Prospectus. The Company estimates it will pay Hall Chadwick Corporate (NSW) Pty Ltd a total of \$20,000 (excluding GST) for these services. Hall Chadwick Corporate (NSW) Pty Ltd has not received fees from the Company prior to the date of this Prospectus. However, the audit division of Hall Chadwick has received \$62,965 (excluding GST) for audit services provided to the Company in the 24 months prior to this Prospectus.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$80,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has billed fees totalling \$80,000 to the Company in connection with preparation of the Prospectus and for other services.

Canaccord Genuity Patersons Limited has acted as Lead Manager to the Public Offer. The Company estimates it will pay Canaccord Genuity Patersons Limited the fees set out in Section 10.1.1 for these services. Other than the fees referenced in Section 10.1.1, Canaccord Genuity Patersons Limited has not received fees from the Company prior to the date of this Prospectus.

11.9 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Hall Chadwick Corporate (NSW) Pty Ltd has given its written consent to being named as Investigating Accountant of the Company in this Prospectus and to the inclusion of the Investigating Accountant's Report in Annexure A to this Prospectus in the form and context in which the information and report is included. Hall Chadwick Corporate (NSW) Pty Ltd not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Hall Chadwick has given its written consent to being named as auditor of the Company in this Prospectus and the inclusion of the audited financial information of the Company contained in Section 7 of this Prospectus in the form and context in which it appears. Hall Chadwick has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Canaccord Genuity Patersons Limited has given its written consent to being named as Lead Manager to the Public Offer. Canaccord Genuity Patersons Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Automic has given its written consent to being named as the share registry to the Company in this Prospectus. Automic has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

11.10 Expenses of the Offers

The total expenses of the Offers (excluding GST) are estimated to be approximately \$700,000 (based on Maximum Subscription) and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Minimum Subscription (\$)	Maximum Subscription (\$)
ASIC fees	\$3,206	\$3,206
ASX fees	\$92,486	\$94,639
Lead Manager Fee	\$300,000	\$400,000
Legal Fees (Australia, Singapore & Malaysia)	\$120,000	\$120,000
Investigating Accountant's Fees	\$20,000	\$20,000
Miscellaneous	\$64,308	\$62,155
Total	\$600,000	\$700,000

12. Directors' Authorisation

12. Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Adam Brimo
Managing Director
For and on behalf of
OpenLearning Limited

13. Glossary

13. Glossary

Where the following terms are used in this Prospectus they have the following meanings:

Term	Definition
\$	means an Australian dollar.
Acquisitions	means the acquisitions of OL Singapore and OL Investors by the Company, the terms and conditions of which are set out in Section 10.2.
Advisor Option	means an Option to be issued on the terms and conditions set out in Section 11.3.
Advisor Securities	means Advisor Shares and Advisor Options.
Advisor Share	has the meaning given to that term in Section 4.17.
Application Form	means the application form attached to or accompanying this Prospectus relating to the Public Offer and the Consideration Offer.
ARR or Annualised Recurring Revenue	means annualised recurring SaaS revenue, Calculated by multiplying the monthly accrued SaaS revenue (MSR) in the relevant month by 12 (months). The ARR calculation takes into account MSR at the start of the month, MSR from new customers engaged in that month and increased/decreased MSR for changes to pricing tiers for customers in that month. The ARR calculation does not take into account the future expiry of the term of any contract under which SaaS revenue is generated or any customer lost during the relevant month.
ASIC	means Australian Securities & Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.
ASX Listing Rules	means the official listing rules of ASX.
Board	means the board of Directors as constituted from time to time.
Closing Date	means the closing date of the Offers as set out in the indicative timetable in the Investment Overview in Section 1 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offers early).
Company	means OpenLearning Limited (ACN 635 890 390).
Consideration Offer	means the offer of the Consideration Shares in accordance with the Acquisition Agreements, the terms of which are set out in Section 4.2.1.
Constitution	means the constitution of the Company.
Convertible Notes	means the notes convertible into Shares issued by OL Singapore under the Convertible Note Agreements, the material terms and conditions of which are set out in Section 10.1.2.
Convertible Note Offer	means the offer of Shares to holders of Convertible Notes, the terms of which are set out in Section 4.2.2.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Courses	means the courses made available through the OL Platform, as further described in Section 6.5.1.
Design Services	means the Course design services offered to Providers by OL Group, as further detailed in Section 6.4.2.
Director Advisory Shares	means 958,333 Shares to be issued to Spiro Pappas in consideration for advisory services given to the Company prior to listing.
Director Option	means an Option to be issued on the terms and conditions set out in Section 11.3.
Directors	means the directors of the Company at the date of this Prospectus.

13. Glossary

Term	Definition
Exposure Period	means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.
Lead Manager or Canaccord Genuity	means Canaccord Genuity Patersons Limited (ACN 008 896 311).
LMS	means a learning management system.
Maximum Subscription	means the minimum subscription of \$8,000,000 to be raised under the Public Offer.
Minimum Subscription	means the minimum subscription of \$6,000,000 to be raised under the Public Offer.
MOOCs	means massive open online courses.
Offers	means the Public Offer, the Consideration Offer, the Convertible Note Offer and the Performance Rights Offer.
Official List	means the official list of ASX.
Official Quotation	means official quotation by ASX in accordance with the ASX Listing Rules.
OL Australia	means Open Learning Global Pty Ltd (ACN 162 780 467).
OL Investors	means OLG Australia Investors Pte Ltd (a company incorporated in Singapore).
OL Group	means OL Australia, OL Investors, OL Malaysia and OL Singapore and, where the context requires, includes the Company.
OL Marketplace	means the online marketplace for Courses offered through the OL Platform, as further described in Section 6.4.3.
OL Malaysia	means Open Learning Global (M) Sdn Bhd (a company incorporated in Malaysia).
OL Platform	means the education platform developed and operated by the OL Group, as further described in Section 6.5.
OL Singapore	means OpenLearning Global Pte Ltd (a company incorporated in Singapore).
OPM/OPEs	means online program management/enablement companies.
Option	means an option to acquire a Share.
Optionholder	means a holder of an Option.
Performance Right	means a right to a Share with the terms and conditions set out in Section 11.4.
Performance Rights Offer	means the offer of Performance Rights, the terms of which are set out in Section 4.2.3.
Platform Agreement	means the agreements entered into by the OL Group with Providers, the material terms and conditions of which are set out in Section 10.3.1.
Primary Markets	has the meaning given to that term in Section 5.1.
Providers	has the meaning given to that term in Section 5.1.
Prospectus	means this prospectus.
Public Offer	means the offer of Shares pursuant to this Prospectus as set out in Section 4 of this Prospectus.

Term	Definition
SaaS	means software as a service.
Secondary Markets	has the meaning given to that term in Section 5.1.
Secondary Offers	means the Consideration Offer, Convertible Note Offer and Performance Rights Offer.
Section	means a section of this Prospectus.
Securities	means Shares, Options and Performance Rights as the case may be.
Settlement	means the date of completion of the Acquisition in accordance with the Acquisition Agreement.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of Shares.
Target Industries	has the meaning given to that term in Section 5.1.

A woman in a dark dress is standing and writing on a whiteboard. A man in a light shirt is sitting at a table in the foreground, looking at the whiteboard. The whiteboard has some handwritten notes, including "unisex" and a list: "Boige", "Blue", "Green". The room has a brick wall and a desk with laptops and papers.

A. Investigating Accountants Report

A. Investigating Accountants Report



4 November 2019

The Directors
OpenLearning Limited
Level 2, 235 Commonwealth Street
SURRY HILLS NSW 2010

Dear Sirs,

Re: Investigating Accountant's Report on Historical and Pro forma Consolidated Historical Financial Information

We have prepared this Independent Limited Assurance Report (report) at the request of the Directors of OpenLearning Limited (the "Company"), for inclusion in a Prospectus relating to the offer of 30,000,000 Shares at an issue price of \$0.20 per Share to raise \$6,000,000, together with oversubscriptions for up to an additional 10,000,000 Shares at an issue price of \$0.20 per Share to raise up to an additional \$2,000,000 ("Offer").

Expressions and capitalised terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services License (No. 227902) under the *Corporations Act 2001*. Hall Chadwick Corporate (NSW) Limited holds the appropriate Australian Financial Services License under the *Corporations Act 2001*.

Background

The Company was incorporated on 30 August 2019 for the purpose of acquiring OpenLearning Global Pte Ltd and its subsidiaries ("OLGPL"). The Company holds no other material assets other than the shares in OLGPL.

The principal activities of the OLGPL Group include:

- providing a cloud-hosted social learning platform for delivering short courses, blended learning and online degrees;
- providing learning design services; and
- promotion and sale of educational courses through a global marketplace.

Scope

Historical Financial Information

You have requested Hall Chadwick Corporate (NSW) Limited to review the following historical financial information of OLGPL:

- a) the historical statements of profit or loss for the financial years ended 31 December 2017 ("FY2017") and 31 December 2018 ("FY2018") and for the half year ended 30 June 2019 ("HY2019");
- b) the historical statements of cash flows for FY2017, FY2018 and HY2019;
- c) the consolidated statement of financial position of the Company as at 30 June 2019.

HALL CHADWICK CORPORATE
(NSW) LIMITED

ACN 080 462 488

SYDNEY

Level 40, 2 Park Street Sydney
NSW 2000 Australia

GPO Box 3555 Sydney NSW
2001

Ph: (612) 9263 2600

Fx: (612) 9263 2800

E:

[hcsyinfo@hallchadwick.](mailto:hcsyinfo@hallchadwick.com.au)

com.au

www.hallchadwick.com.au

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association of separate and
independent accounting and
consulting firms

A. Investigating Accountants Report

Pro forma Consolidated Historical Financial Information

You have requested Hall Chadwick Corporate (NSW) Limited to review the pro forma consolidated statement of financial position of the Company assuming completion of the Offer and other transactions detailed in the Prospectus.

The financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles detailed in Australian Accounting Standards and the adopted accounting policies of the Company.

The historical financial information of OLGPL has been subject to audit for FY2017 and FY2018 and half year review for HY2019 by Hall Chadwick. The FY2017 audit report included a qualification regarding insufficient appropriate audit evidence in relation to opening balances as at 31 December 2016. The FY2017, FY2018 and HY2019 reports also contained a material uncertainty related to going concern due to net losses and operating cash outflows incurred.

The financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

The stated basis of preparation is the recognition and measurement accounting principles applied to the financial information and the transactions to which the pro forma adjustments relate, as described in the Prospectus, as if those transactions had occurred as at the date, or prior to the date, of the financial information. Due to its nature, the pro forma consolidated historical financial information does not represent the company's actual or prospective financial position.

Directors' responsibility

The directors of the Company are responsible for the preparation of the historical and pro forma consolidated historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of pro forma consolidated historical financial information that is free from material misstatement whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review

procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we have become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions

Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in the Prospectus.

Pro forma consolidated historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma consolidated historical financial information is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in the Prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report or on the financial information to which it relates, for any purpose other than that for which it was prepared.

Consent

Hall Chadwick Corporate (NSW) Limited has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included.

Disclosure of Interest

Hall Chadwick Corporate (NSW) Limited does not have any interest in the outcome of the Prospectus other than the issue of this report for which normal professional fees will be received. Hall Chadwick Corporate (NSW) Limited does not hold nor have any interest in the ordinary shares of the Company. Hall Chadwick Corporate (NSW) Limited was not involved in the preparation of any part of the Prospectus and accordingly, makes no representations or warranties as to the completeness and accuracy of any information contained in the Prospectus.

Yours faithfully



Drew Townsend
HALL CHADWICK CORPORATE (NSW) LIMITED

A. Investigating Accountants Report



FINANCIAL SERVICES GUIDE

Dated 4 November 2019

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by Hall Chadwick Corporate (NSW) Limited ABN 28 080 462 488, Australian Financial Services Licence Number 227902 ("HCC").

This FSG includes information about:

- HCC and how they can be contacted;
- the services HCC is authorised to provide;
- how HCC are paid;
- any relevant associations or relationships of HCC;
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that HCC has in place.

This FSG forms part of an Investigating Accountant's Report ("Report") which has been prepared for inclusion in a disclosure document. The purpose of the disclosure document is to help you make an informed decision in relation to a financial product. The contents of the disclosure document, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

Financial services that HCC is authorised to provide

HCC holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for securities and interests in managed investment schemes, including investor directed portfolio services, to retail clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of finance products.

HCC's responsibility to you

HCC has been engaged by the Directors of OpenLearning Limited to prepare this Report for inclusion in a Prospectus in relation to the offering of shares in OpenLearning Limited on the ASX ("Offer").

You have not engaged HCC directly but have received a copy of the Report because you have been provided with a copy of the Prospectus. HCC nor the employees of HCC are acting for any person other than OpenLearning Limited. HCC is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General advice

As HCC has been engaged by OpenLearning Limited, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Prospectus before making any decision in relation to the Offer.

Fees HCC may receive

HCC charges fees for preparing reports. These fees will usually be agreed with, and paid by, OpenLearning Limited. Fees are agreed on either a fixed fee or a time cost basis. In this instance, OpenLearning Limited has agreed to pay HCC \$20,000 (excluding GST and out of pocket expenses) for preparing the Report on Pro forma Consolidated Historical Financial Information to be included in the Prospectus. HCC and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this Report.

HCC officers and representatives receive remuneration from Hall Chadwick Sydney professional advisory and accounting practice (the Hall Chadwick Sydney Partnership). Remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report. Further details may be provided on request.

Referrals

HCC does not pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures HCC is controlled by and operates as part of the Hall Chadwick Sydney Partnership. HCC's directors may be partners in the Hall Chadwick Sydney Partnership. Mr Drew Townsend, director of HCC and partner in the Hall Chadwick Sydney Partnership, has prepared this Report. The financial product advice in the Report is provided by HCC and not by the Hall Chadwick Sydney Partnership.

From time to time HCC, the Hall Chadwick Sydney Partnership and related entities ("HC Entities") may provide professional services, including audit, taxation and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses. HC Entities have previously provided audit and advisory services to the Company for which professional fees have been received.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of OpenLearning Limited or has other material financial interests in the Offer.

Complaints resolution

If you have a complaint, please let HCC know. Formal complaints should be sent in writing to:

The Complaints Officer
Hall Chadwick Corporate (NSW) Limited
GPO Box 3555
Sydney NSW 2001

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on (02) 9263 2600 and he will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External complaints resolution process

If HCC cannot resolve the complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:

Financial Ombudsman Service Limited
GPO Box 3, Melbourne Victoria 3001
Telephone: 1300 78 08 06
Facsimile (03) 9613 6399
Email: info@fos.org.au

The Australian Securities and Investments Commission also has a free call infoline on 1300 300 630 which you may use to obtain information about your rights.

A. Investigating Accountants Report



Compensation arrangements

HCC has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact details

You may contact HCC at:

Hall Chadwick Corporate (NSW) Limited

GPO Box 3555

Sydney NSW 2001

Telephone: (02) 9263 2600

Facsimile: (02) 9263 2800

Corporate Directory

Directors

Kevin Barry – Non-Executive Chairman
Adam Brimo – Managing Director
Spiro Pappas – Non-Executive Director
David Buckingham* – Non-Executive Director
Professor Beverley Oliver* – Non-Executive Director
Maya Hari* – Non-Executive Director

Company Secretary

Justyn Stedwell

Proposed ASX Code

OLL

Solicitors

Steinepreis Paganin

Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Investigating Accountant

Hall Chadwick Corporate (NSW) Limited

Level 40, 2 Park Street
Sydney NSW 2000

Registered Office

Level 2, 235 Commonwealth Street
Surry Hills NSW 2010

Telephone: +61 3 9191 0135

Email: investors@openlearning.com

Website: www.openlearning.com

Share Registry**

Automic Pty Ltd

Level 5, 126 Phillip Street
Sydney NSW 2000

Lead Manager

Canaccord Genuity Patersons Limited

ACN 008 896 311, AFSL 239052

Level 23, Exchange Tower
2 The Esplanade
Perth WA 6000

Auditor

Hall Chadwick

Level 40, 2 Park Street
Sydney NSW 2000

* Appointment effective on and from completion of the Acquisitions.

** This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

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openlearning.com