

STATEMENT OF CAPITAL STRUCTURE

The capital structure of OpenLearning Limited (ACN 635 890 390) (**Company**) following the issue of securities pursuant to the replacement prospectus dated 12 November 2019 (as supplemented by the supplementary prospectus dated 5 December 2019) (**Prospectus**) is set out below.

1. SHARES

	Full Subscription (\$8,000,000)
Shares currently on issue	1
Public Offer	40,000,000
OL Singapore Acquisition	65,000,000
Shares to be issues on conversion of Convertible Notes ¹	30,833,307
Director Advisory Shares ²	958,333
Advisor Shares	2,875,000
TOTAL	139,666,641

Notes:

- As noted in the Prospectus, immediately prior to the Company's admission to the Official List, the Convertible Notes will convert into Shares at \$0.12 per Share with an entitlement to one Option for each Share issued. The material terms and conditions of the Convertible Notes are summarised in Section 10.1.2 of the Prospectus.
- As noted in the Prospectus, the Company has issued 958,333 Shares to Director, Spiro Pappas, in consideration for advisory services provided to the Company prior to listing.

2. OPTIONS

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

Notes:

- As noted in the Prospectus, the Company has issued 1,000,000 Director Options to each Non-Executive Director of the Company on the terms and conditions set out in Section 11.3 of the Prospectus.

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

Notes:

1. As noted in the Prospectus, a total of 2,000,000 Performance Rights have been granted to Adam Brimo and 750,000 to David Buckingham. It is anticipated that an additional 1,750,000 Performance Rights will be granted to key management following the Company's admission to the Official List. The terms and conditions of the Performance Rights are set out in Section 11.4 of the Prospectus.

CONFIRMATION OF GRANT OF ASX LISTING RULE WAIVERS

OpenLearning Limited (**Company**) confirms that it has been granted the following waivers of the ASX Listing Rules, subject to the satisfaction of certain conditions. Pursuant to and in accordance with Listing Rule 18.1.1, the conditions must be complied with for the waivers which have been granted to the Company to be effective.

Unless otherwise defined, capitalised terms in this document have the same meaning given in the Company's replacement prospectus dated 12 November 2019 (**Prospectus**).

LISTING RULE 1.1 CONDITION 12

The Company confirms that it was granted a waiver from Listing Rule 1.1 condition 12 to have on issue 2,750,000 performance rights with an exercise price of less than \$0.20 on the condition that the material terms and conditions of the performance rights are clearly disclosed in the Prospectus.

LISTING RULE 9.1.3

The Company confirms that it was granted a waiver from Listing Rule 9.1.3 to the extent necessary to permit the Company to apply the restrictions in Clauses 1, 2 and 9 of Appendix 9B as appropriate to:

- (a) the holders of the Company's shares (**Holders**) received as consideration for the acquisition of 100% of the issued capital of OL Singapore and OL Investors (**Consideration Securities**) on the basis set out in paragraph 8.1 of the Conditional Admission Decision Letter from Madeleine Green of ASX dated 2 December 2019 (**Admission Decision Letter**); and
- (b) the ordinary shares of the Company issued to the holders of convertible notes on the basis set out in 8.2 of the Admission Decision Letter.

The grant of the waiver from Listing Rule 9.1.3 was conditional on the Company acquiring 100% of the issued capital of OL Singapore and OL Investors and the entire business of OL Singapore and OL Investors being acquired by the Company, which the Company confirms occurred on 9 December 2019.

LISTING RULE 9.1.4

The Company confirms that it was granted a waiver from Listing Rule 9.1.4 to the extent necessary to allow the Company to issue to holders who fall into categories 2 and 4 of Appendix 9B of the Listing Rules a restriction notice instead of requiring the holders to enter into a restriction deed, on the condition that the Company's constitution contains the provisions required by Listing Rule 15.12 (introduced as of 1 December 2019).

LISTING RULE 15.12

The Company confirms that it was granted a waiver from Listing Rule 15.12 to permit the Company's constitution to not include all of the provisions on the condition that the Company's constitution includes all of the provisions in Listing Rule 15.12 (introduced on 1 December 2019).

STATEMENT OF CONFIRMATIONS

OpenLearning Limited (ACN 635 890 390) (**Company**) confirms that all conditions precedent to the public offer under the Company's replacement prospectus dated 12 November 2019 (as supplemented by the supplementary prospectus dated 5 December 2019) (**Prospectus**) have been satisfied and the Company has issued 40,000,000 Shares at an issue price of \$0.20 per Share to raise \$8,000,000 (**Public Offer**).

The Company also confirms that:

1. The conditions precedent to the 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**) have been satisfied. The Company has now been assigned 100% of the issued capital of OL Singapore and OL Investors, thereby acquiring an indirect, 100% legal interest in OL Group (**Acquisitions**). The Company has issued 65,000,000 Shares to the vendors of OL Singapore and OL Investors as consideration for the Acquisitions.
2. The Company has also issued:
 - (i) 958,333 shares to Spiro Pappas (or his nominee).
 - (ii) a total of 5,000,000 director options (exercisable at \$0.30 and expiring 3 years from the date of issue) to the non-executive directors (**NED**) of the Company, comprising 1,000,000 to each NED (or their nominees).
 - (iii) a total of 30,833,307 shares and 30,833,307 options (exercisable at \$0.20 and expiring 2 years from the date of issue) to the convertible note holders.
 - (iv) 2,875,000 shares to certain advisors to the Company.
 - (v) 2,796,333 advisor options exercisable at \$0.20 expiring on 3 years from the date of issue to certain advisors to the Company.
 - (vi) 2,750,000 performance rights to directors of the Company.

STATEMENT OF COMMITMENTS
(BASED ON ACTUAL FUNDS RAISED – \$8,000,000)

OpenLearning Limited (ACN 635 890 390) (**Company**) intends to apply funds raised from its initial public offer (\$8,000,000) (**Offer**) together with existing cash reserves over the first two years following admission of the Company to the Official List of ASX as follows:

	Maximum Subscription	Percentage of Funds
Funds Available		
Existing cash reserves of the Company ¹	\$1,735,000	17.82%
Funds raised from the Capital Raising	\$8,000,000	82.18%
Total	\$9,735,000	100.00%
Allocation of Funds		
Enhancing Course Quality/Design Services ²	\$810,533	8.33%
Customer Onboarding/Support ³	\$518,195	5.32%
Marketing and expansion of sales network ⁴	\$4,152,762	42.66%
R&D ⁵	\$1,341,619	13.78%
Expenses associated with the IPO ⁶	\$700,000	7.19%
Working Capital ⁷	\$2,211,891	22.72%
Total	\$9,735,000	100.00%

Notes:

1. Refer to Section 7 and the Investigating Accountant's Report set out in Annexure A of the replacement prospectus dated 12 November 2019 (**Prospectus**) for further details.
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 of the Prospectus 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 of the Prospectus 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.

The above table is a statement of current intentions as of the date of lodgement of the Prospectus with the ASIC. As with any budget, intervening events (including the risk factors outlined in Section 8 of the Prospectus) 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.

For personal use only

RESTRICTED SECURITIES

OpenLearning Limited (ACN 635 890 390) (**Company**) confirms the following securities are subject to ASX imposed and voluntary restrictions:

Class	Number	Restriction Period
ASX Imposed Restrictions		
Shares	23,103,054	24 months from date of quotation
Options	10,376,422	24 months from date of quotation
Performance Rights	2,750,000	24 months from date of quotation
Shares	30,035,881	12 months from the date of issue
Options	28,250,218	12 months from the date of issue
Voluntary Restrictions		
Shares	9,608,749	6 months from the date of issue