

ASX Announcement | 12 December 2019

Online education SaaS company OpenLearning commences trading on ASX with oversubscribed AUD \$8 million IPO & Business Update

Investment Highlights

- OpenLearning commenced trading on the Australian Securities Exchange (ASX) on 12th December 2019 under the ticker code 'OLL'
- One of the world's largest online education platforms with 1.72m registered learners worldwide
- 60 B2B SaaS clients, including blue-chip education and government clients such as UNSW Sydney, University of Melbourne, University of Technology Sydney, Western Sydney University, Charles Sturt University, University of Newcastle and the Central Bank of Malaysia
- Large pipeline of potential education providers from Australia and Southeast Asia
- Growing high-quality SaaS recurring revenue with November ARR of AUD \$896k up 95% YoY
- Stellar Board of Directors including David Buckingham, the former CEO of Navitas and iiNet, and Spiro Pappas, a former senior executive at NAB and Splitit's (ASX:SPT) Chairman
- Heavily oversubscribed IPO with strong demand from institutional, high net worth and retail investors including a AUD \$1m cornerstone investment from Australian Catholic University

Sydney, Australia, December 12, 2019: Higher education software as a service (SaaS) company **OpenLearning Limited** ('OpenLearning' or 'the Company') is pleased to announce that it has today commenced trading on the Australian Securities Exchange (ASX) under the ticker code 'OLL' following an oversubscribed Initial Public Offering (IPO).

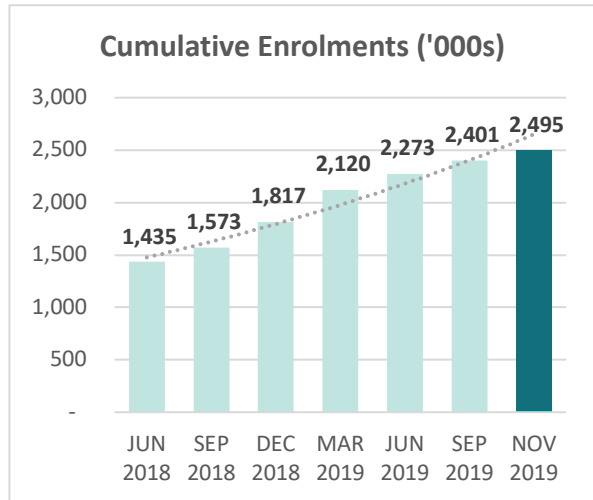
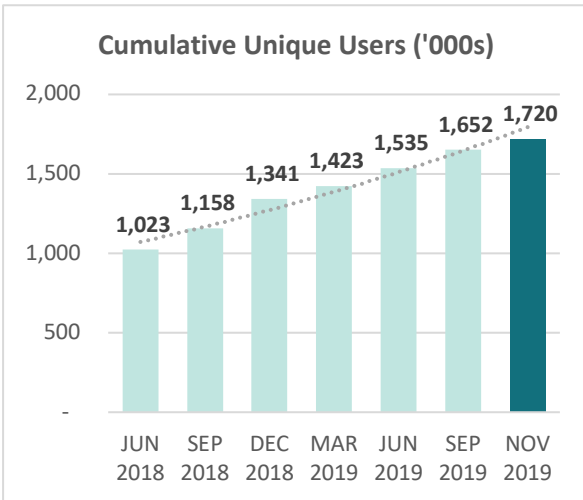
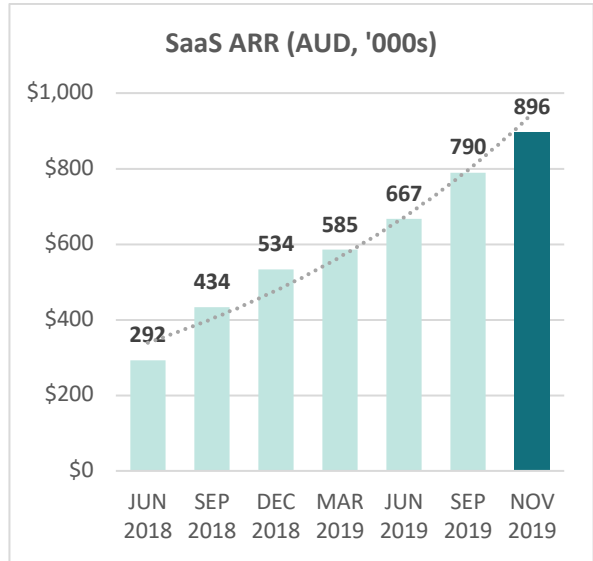
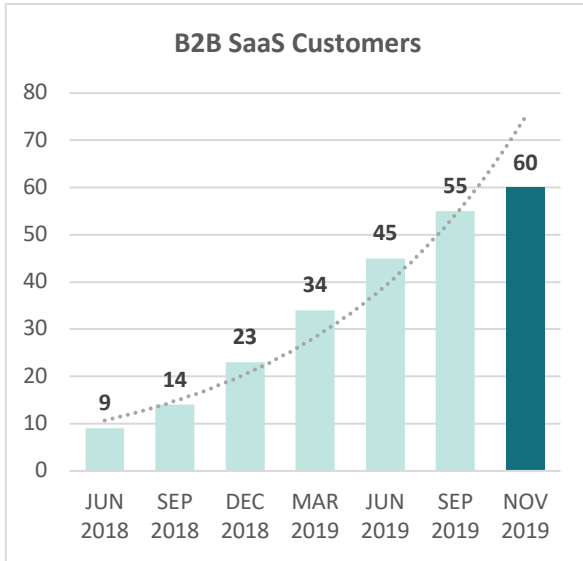
The IPO raised AUD \$8 million via the issue of 40 million shares at AUD \$0.20 per share with Canaccord Genuity Patersons Limited as lead manager. Based on the IPO listing price, OpenLearning has a market capitalisation of AUD \$28 million. OpenLearning opened its offer on 13th November and closed it on 6th December 2019 after receiving applications from investors well in excess of the maximum raise of AUD \$8 million by 18th November 2019, including a strategic investment of AUD \$1 million by Australian Catholic University.

Business Update - Strong growth in annualised recurring revenue

Since the Replacement Prospectus dated 12 November 2019 was lodged with stated figures to September 2019, the Company has delivered strong growth in recurring revenue, B2B SaaS customers, registered learners and enrolments in the period ending November 2019.

OpenLearning's recent growth was driven by an increase in usage - the number of learners taking courses - from existing B2B SaaS clients, renewals from long-time clients and the acquisition of new B2B SaaS clients on usage-based agreements. The Company calculates annualised recurring revenue by multiplying the accrued monthly recurring revenue at the end of the period by twelve months.

For personal use only



A world-leading SaaS education platform

OpenLearning is a SaaS company that provides a next-generation online learning platform for education providers to design and deliver high-quality courses that prepare learners for the future of work by leveraging a research-backed student-centred and project-based learning approach.

The Company's platform has blue-chip university and government SaaS customers in Australia, Malaysia, and other offshore markets.



OpenLearning generates revenue through its SaaS model and add-ons including learning design services and a global marketplace of publicly accessible courses delivered via the Company's platform.

Strong growth in initial target markets

Although OpenLearning can be used globally, the Company has initially focused on Australia and Malaysia, providing localised customer support, learning services, pricing and marketing in these two key markets.

Demand in both countries is very strong, as Australia is one of the world's leading higher education markets and Malaysia is one of the largest sources for international students and an emerging higher education hub with a number of Australian and UK branch campuses.

To date, OpenLearning has had over 2.5 million enrolments from 1.72 million registered learners across over 7,900 courses provided by 60 education providers, making it one of the world's largest online education platforms. The Company is growing rapidly across key metrics, with significant rises across its annualised recurring revenue, B2B customer numbers, and registered users.

A proven management team

OpenLearning has a strong management team with multi-disciplinary experience spanning higher education, software engineering, financial services, and social media.

The Company is led by Managing Director and Group CEO Adam Brimo who is backed by a stellar Board, which includes:

- Kevin Barry, Chairman (Sydney), Director of TCAP Australia and Thakral Capital Holdings, and Chairman of ICS Global (ASX:ICS)
- David Buckingham (Perth), former CEO and Managing Director of Navitas Limited (ASX:NVT) and iiNet
- Emeritus Professor Beverley Oliver (Melbourne), highly regarded former Deputy Vice-Chancellor Education at Deakin University
- Maya Hari (Singapore), VP & Managing Director, Asia Pacific at Twitter
- Spiro Pappas (Sydney), Chairman of Splitit Limited (ASX:SPT) and former senior executive at National Australia Bank Limited (ASX:NAB)

Funds raised to support growth initiatives

OpenLearning's strategy post-listing is to focus primarily on marketing to universities and other higher education providers as well as vocational education and training providers in Australia and Malaysia while investing in its brand, platform and website to attract education providers worldwide.

OpenLearning believes this strategy will deliver the greatest value to shareholders as the Company's platform is already used by providers in these markets and OpenLearning enjoys greater brand awareness than in other markets. The Company estimates total higher education expenditure in Australia at approximately AUD \$46.9 billion¹ and in Malaysia in excess of AUD \$5.8 billion² per annum.

¹ Total combined annual revenue for the higher education sector and vocational education sector in Australia: <https://www.teqsa.gov.au/latest-news/publications/statistics-report-teqsa-registered-higher-education-providers-2018>
https://www.ncver.edu.au/__data/assets/pdf_file/0031/6925090/Total-VET-students-and-courses-2018.pdf

² <https://www.thestar.com.my/news/education/2019/08/18/higher-education-as-an-industry>

In addition to marketing and expanding its sales network, the Company will also use funds raised to enhance course quality/design services, improve customer onboarding/support, R&D, explore expansion into new markets, and for general working capital.

OpenLearning CEO Adam Brimo said: “The successful completion of this offer ensures that we will be able to progress our growth strategy, expanding our market-leading positions in Asia Pacific and exploring further opportunities. I’d like to take this opportunity to thank the Board, our shareholders and the entire team at OpenLearning for making this listing possible. We look forward to building the next great Australian education technology company and to keeping shareholders updated on our milestones and encourage everyone to follow us on our website and social media channels.”

Authorised by:

Adam Brimo
Group CEO & Managing Director

Ends.

Stay up to date with OpenLearning news as it happens:

Visit the Investor section of the OpenLearning website at: <https://solutions.openlearning.com/investor-home/>. There you can download the Company’s Prospectus and see recent ASX Announcements and press coverage.

In addition to signing up for OpenLearning news directly from the Company, we also encourage shareholders to register to receive electronic communications from our share registry, Automic. To sign up for e-communications from Automic, please visit <https://www.automicgroup.com.au/>.

Thanks for your ongoing support. We look forward to sharing OpenLearning news with you.

For further information, please contact:

Company

Justyn Stedwell
Company Secretary
P: +61 3 9191 0135
E: investors@openlearning.com

Media & Investor Enquiries

Julia Maguire
The Capital Network
M: +61 419 815 386
E: julia@thecapitalnetwork.com.au

About OpenLearning

OpenLearning Limited is a software as a service company that provides a scalable online learning platform to education providers and a global marketplace of world-class courses for learners of all levels.

OpenLearning’s platform enables the delivery of project-based, social learning to encourage interaction among users and foster a community of collaborative learners. The company’s unique service provides a complete learning environment for all types of online education - from short courses through to micro-credentials and online degrees.

With more than 1.72 million learners worldwide across over 8,000 courses provided by 60 education providers, OpenLearning is at the forefront of a new wave of online education delivery.

To learn more, please visit: www.solutions.openlearning.com

For personal use only