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Lifelong Learning. Endless Possibilities.

OpenLearning Limited (ASX:OLL)
Annual Report 2019

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A life long plan

Powering the future of online education

OpenLearning Limited is a Sydney-based, software-as-a-service company that provides a scalable online learning platform and learning design services to education providers; and a global marketplace of world-class micro-credentials and online degrees for learners.

Built on proven learning sciences research and a social constructivist learning philosophy, OpenLearning goes beyond traditional instructivist approaches and static learning management systems to deliver authentic, active and connected learning experiences.

Founded in 2012 in Sydney, OpenLearning's vision is to improve access to quality education, promote lifelong learning, and future-proof the workforce by enabling education providers to design, deliver and sell transformative courses and degrees worldwide.

OpenLearning expanded to Southeast Asia in 2015 by establishing an office in Kuala Lumpur, Malaysia, and is now the leading platform for online higher education in Southeast Asia.

Today, OpenLearning employs over 45 people globally across its offices in Sydney and Kuala Lumpur, with remote team members spread across the world to serve its global client-base.

OpenLearning is uniquely placed to be an education provider's partner of choice thanks to its innovative proprietary online learning platform, depth of expertise in education, established partnerships with leading universities and organisations, and a large and growing user-base of lifelong learners.

With more than 1.74 million learners worldwide, 7,900 courses and partnerships with over 62 education providers, OpenLearning is at the forefront of a new wave of education delivery.

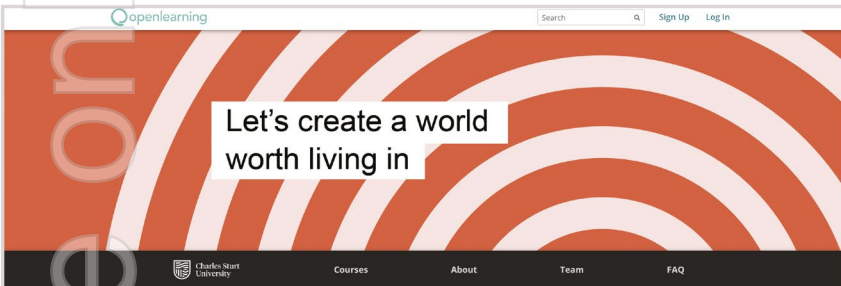
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Discover your passion, learn a new skill and change careers, online.

Delivering transformative learning experiences online, worldwide.



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About Open Pathways

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.

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 now you'd like to get a little more focused. Why not explore our range of single subjects, (and you can add more!) These courses allow you to study as you go, completing one module or a section at a time. You can track your progress and see how you're tracking with what you're learning? Sign up for the assessments at the end of each module.

Performance Highlights

Financial Highlights

(all financial amounts are in AUD unless otherwise stated)



77%

YoY increase in annualised recurring revenue (ARR) to \$944k at the end of FY19



2.8%

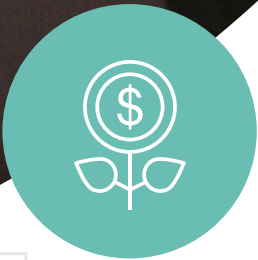
YoY increase in gross sales to \$1.94m, while successfully transitioning to SaaS model



20.30%

YoY increase in cash receipts to \$2.24m

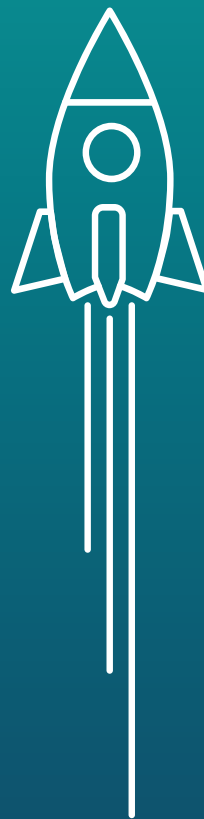
1 Annualised recurring SaaS revenue, calculated by utilising the generally accepted industry standard, which involves multiplying the monthly accrued SaaS revenue in the month at the end of the quarter by 12 (months). The ARR calculation does not take into account the future expiry of the term of any contract under which SaaS revenue is generated or any customer lost during the relevant month.



Strong cash position at end of FY19 of

\$7.74m

Usage highlights



170%

YoY increase in B2B SaaS clients to 62 at the end of FY19

29.4%

YoY increase in unique registered learners to 1.74m at the end of FY19

39.8%

YoY increase in enrolments to 2.54m at the end of FY19

The OpenLearning Solution

The OpenLearning 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.

OpenLearning is an innovator in its field, providing a launch pad for new academic research and extending existing educational theory through advanced platform mechanics. We work with both educators and technologists in continual experiments to develop a next generation learning environment.

OpenLearning handles all aspects of delivering an online learning experience through its unique operating model that includes everything an education provider would need to launch an online education business:

1. **Scalable online learning platform** hosted in Australia and accessible worldwide, which enables end-to-end online education delivery for university degrees, micro-credentials and vocational education and professional development to bridge skills gaps;
2. **Learning services division** comprised of learning designers (online learning specialists) who collaborate with subject matter experts to redesign their courses and upskill staff at education providers to create high quality online courses; and
3. **Global marketplace** for education where universities and education providers are able to promote their online courses or degrees to millions of learners worldwide.

This approach enables OpenLearning to generate significant value for its partners across a range of use-cases and markets – solving some of the greatest challenges facing education providers:

- **Deliver their accredited and non-accredited courses online** via its scalable cloud learning platform to domestic and international students, either fully online or blended;
- **Diversify their revenue streams** through the delivery of university or higher education provider branded short courses and micro-credentials to bridge the skills gap for working professionals;
- **Diversify their sources of international students** by raising their brand awareness in Southeast Asia by leveraging OpenLearning's database of 1.74m learners;
- **Build a sustainable pipeline of international students** by offering university foundation year programs online, offshore and in-country through partners; and,
- **Increase engagement of international students** by offering large-scale language and enrichment courses to support students at both regional and urban higher education campuses.

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1.74m+ learners

Network Effect

The OpenLearning platform primarily operates on a B2B2C model, whereby education providers are utilising the platform to deliver courses to learners. Depending on the goals of the education provider and the type of courses they offer, the Company may be able to promote the education providers courses to other learners on the OpenLearning platform. This produces a network effect, which is enabled by a number of key design decisions, including:

1

Single global cloud platform whereby all education providers and learners use the same instance of the platform.

2

Strong relationship with the end-consumer by ensuring that the Company's logo is visible on every page.

3

Every user has an OpenLearning user account, regardless of whether they arrive at the OpenLearning platform through the marketplace or via an institution portal.

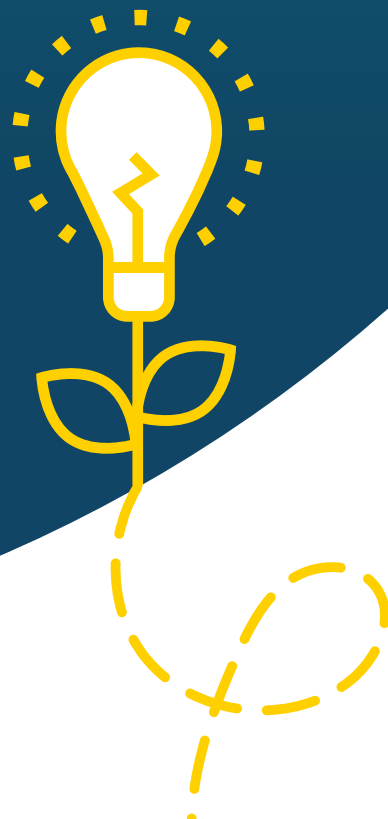
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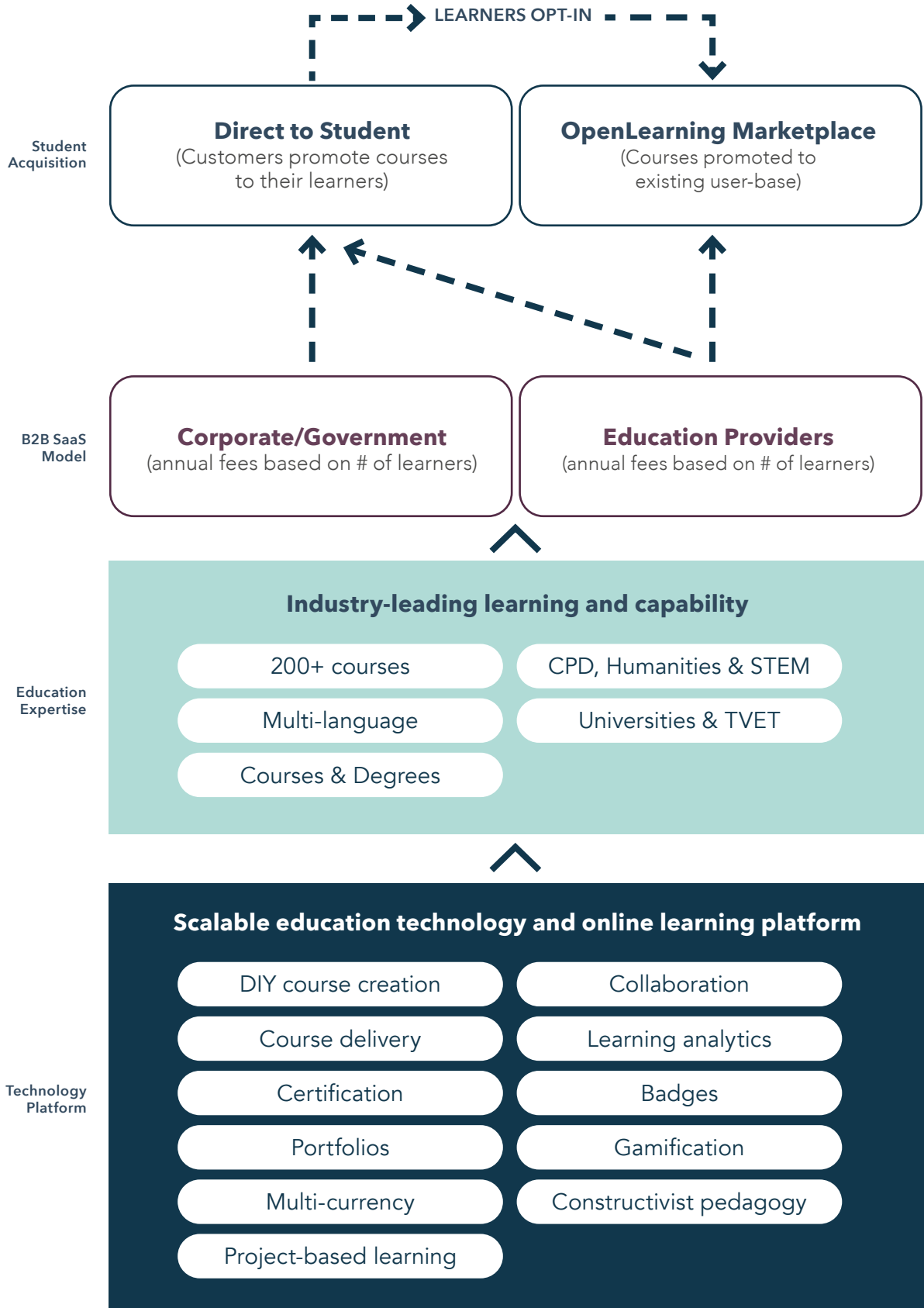
Learners are able to browse the marketplace and opt-in to receive information about new courses.

5

Profile for every user 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 education providers on the OpenLearning platform has the potential to lead to an increase in the number of Courses being delivered via the platform to both new and existing learners. This increase in Courses and learners attracts new education providers to deliver their Courses on the platform so that they can benefit from exposing their brand and Courses to the OpenLearning userbase.





Managing Director's Report

Dear fellow shareholders,

2019 was a year of transition for OpenLearning with fundamental changes to our business model, team, and corporate structure, which have laid the foundations for further growth in 2020 and beyond.

Over the course of the past 12 months, the Company completed its transition to a SaaS business model, successfully restructured its operations to invest in sales and marketing, complete its listing on the ASX, grew SaaS revenue into the Company's largest revenue stream and raised enough capital to fully fund the Company's growth strategy as outlined in its prospectus.

As of the end of FY19, OpenLearning has had over 2.54 million enrolments from 1.74 million registered learners across 7,900 courses provided by 62 education providers, making it one of the world's largest online education platforms.

As a result of a restructure carried in Q3 19, the Company was able to reduce operational cash burn and operating costs in Q4 19. This provided a strong tailwind to the Company's FY19 results.

In FY19, the Company's gross sales increased by 2.8% YoY to \$1.94m with operating cash receipts increasing 20.30% to

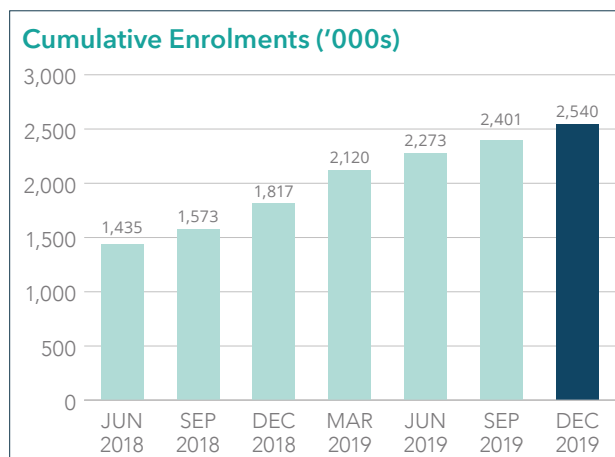
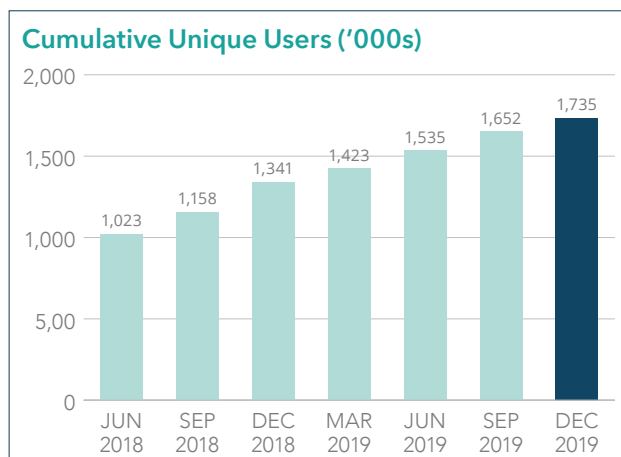
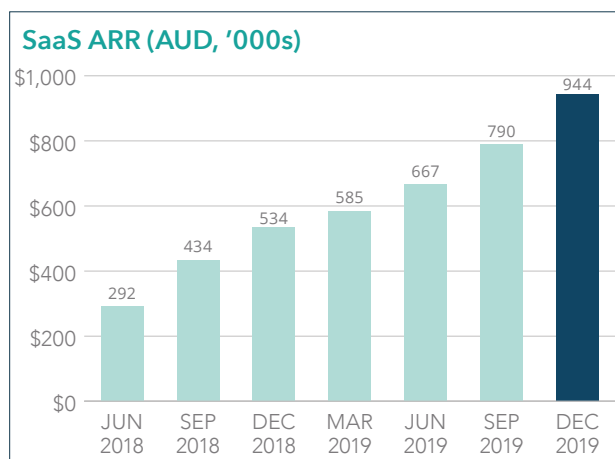
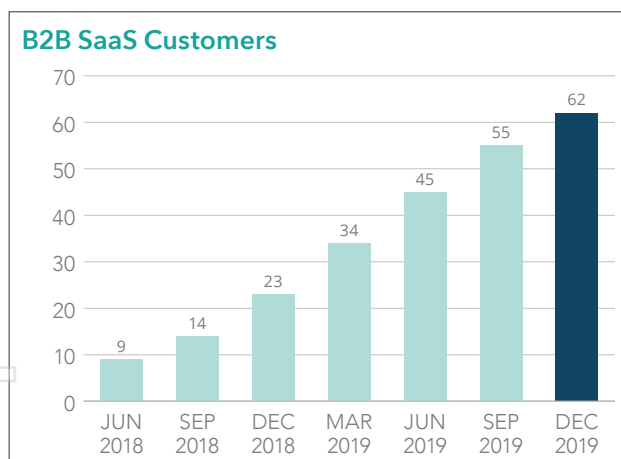
\$2.24m. A strong result considering the Company's change in business model to focus on SaaS and its restructure.

The Company achieved a 91% YoY increase in high margin SaaS fees, which accounted for 37% of gross sales. The Company's net cash flows used in operating activities improved to \$3.87m in FY19 from \$4.54m in the prior year. OpenLearning had cash at bank of \$7.74m at 31 December 2019, ensuring that we are able to fully execute our growth strategy in FY20 and take advantage of the opportunities that present themselves as the world looks towards online education in the years to come.

Solid growth in annualised recurring revenue and customer acquisition

OpenLearning ended the year strongly, with ARR increasing by 77% YoY to \$944k as a result of new B2B SaaS clients being onboarded in the quarter and an increase in usage (learners taking courses on the platform) amongst existing clients.

The following charts show the growth in B2B SaaS Customers, SaaS annualised recurring revenue (ARR), cumulative unique users, and cumulative enrolments over the past seven quarters.



Images 1 – 4: B2B SaaS Customers, SaaS ARR, Cumulative Unique Users, and Cumulative Enrolments Growth, June 2018 – December 2019

OpenLearning ended FY19 with a strong and advanced pipeline of potential clients in Australia and Malaysia, and with a number of additional clients already secured and expected to commence utilising the Company's platform in FY20.

Successful listing on the ASX

In a significant milestone for our team and shareholders, OpenLearning commenced trading on the Australian Securities Exchange (ASX) under the ticker code 'OLL' on December 12 following an oversubscribed Initial Public Offering (IPO).

The IPO attracted significant interest, opening on November 13 and closing five days later after receiving applications from investors well in excess of the maximum raise of \$8 million, including a strategic investment of \$1 million from the Australian Catholic University – the first of its kind for an Australian university.

The funds raised from the IPO are being utilised to accelerate sales and marketing activities to universities and other higher education providers in Australia and Malaysia. In addition, the Company is investing in initiatives to increase brand awareness, ensuring that the OpenLearning platform remains cutting edge and is able to attract education providers from outside its target markets.

The IPO marks the next phase of OpenLearning's journey and provides us with a platform to accelerate our growth. It will enable the Company to raise its profile, attract the best talent and ensure that it has the right corporate governance framework in place with the appropriate level of transparency.

The support of our team, shareholders, customers and stakeholders throughout the process is a testament to the quality of the OpenLearning platform, the services that we provide and the critical importance of the problem that we're solving.

Strong sector tailwinds

The Company is seeing increased demand from higher education providers to design and deliver both non-accredited and accredited courses online as a result of recent disruptions in the higher education sector due to COVID-19.

Additionally, the potential impact on higher education providers' revenue from a decline in international students and widespread campus closures has led to renewed interest from education providers in delivering their courses and degrees online, as well as diversifying their sources revenue by offering short courses and micro-credentials to working professionals.

To capitalise on the opportunity, the Company has moved quickly to establish a partnership with Alibaba Cloud to ensure high speed access the OpenLearning platform in mainland China, where the majority of the international students who are unable to make it to Australia are located. The Company recently signed a SaaS and partnership agreement with High Resolves, a global not-for-profit to deliver their programs into hundreds of schools globally.

While it is too early to determine the overall impact of the new dynamics we're seeing in the market, the Company is well placed to support education providers as they explore

online learning as a means of delivering both accredited and non-accredited courses in Australia, Malaysia and around the world.

Critical importance of higher education to the Australian economy

Few industries are as critically important to Australia's economy and our society as higher education. While technology is already transforming vast sections of our country, education providers have been slow to adapt – opting for incremental improvements as opposed to ground-breaking transformation.

This dynamic is beginning to change. Students and working professionals require new skills to adapt to new ways of working, they're demanding short courses rather than multi-year degrees. It is becoming increasingly clear that higher education is moving and must move from a once-in-a-lifetime product to lifelong learning experience.

The opportunity ahead of the Company is significant – in Australia, Malaysia, Southeast Asia and around the world as millions of people look to further their education online. Globally, there are only a handful of companies that are well placed to benefit from this once in a generation change and OpenLearning is leading the way. While significant change always takes time, the pace is definitely accelerating.

To get us there, we have assembled a dedicated, innovative and passionate team, and an experienced and dynamic board with the right mix of skills to grow OpenLearning into Australia's next great education technology company.

Stellar team and board of directors

I would like to thank my fellow directors, chairman Kevin Barry, Professor Beverley Oliver, Spiro Pappas, David Buckingham and Maya Hari for their support and expertise, and our previous directors who retired prior to the listing in December 2019, especially the Company's former chairman and angel investor, Clive Mayhew.

I'm proud to work alongside our diverse and highly regarded leadership team, including founder and CTO David Collien, Managing Director for Australia Cherie Diaz, Managing Director for Malaysia Sarveen Kandiah and CFO Huat Koh.

Thank you for your support of OpenLearning. Together, I'm confident that the Company will continue to grow and generate significant returns for all our shareholders in the years to come.

Kind regards



Adam Brimo
Managing Director and Group CEO

Chairman's Report

Dear fellow Shareholders

I am delighted to present OpenLearning Limited's ("OL") Annual Report for the financial year ended 31 December 2019.

The Company 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.

The Company successfully listed on the ASX in December 2019 raising \$8 million to fund growth opportunities, reward and incentivise senior management to drive the underlying growth of the business and to further develop the OpenLearning Platform.

FY19 Year Results

During FY19 year, the Group restructured its operations in Australia and Malaysia to focus on growing Platform SaaS revenue by expanding its sales, marketing and customer success teams, and significantly reducing the headcount of its Services division. This change in strategy resulted in a decline in Services revenue in FY2019 as compared to FY2018 but led to strong growth in Platform SaaS and Marketplace gross sales, which grew by 91% and 108% respectively y-o-y.

Gross sales for FY2019 increased by 2.8% y-o-y, despite the reduction in Services sales, due to strong growth in Platform SaaS and Marketplace sales.

Statutory net loss for FY2019 increased 75.8% y-o-y to \$(7,719,951) due to incurring of the following major cost elements:

- operating costs to increase market share in the online education space;
- costs related to rationalisation exercise; and
- costs related to pre-IPO and IPO expenses

There was no significant change y-o-y in the normalised loss after tax for FY2019 at \$(4,398,704).

Net cash flows used in operating activities improved to \$(3,874,122) in FY2019 from \$(4,544,548) in the prior year.

Strategy

The Company's strategy is to increase high margin platform SaaS revenue by expanding its sales and marketing resources to acquire more clients from the higher education sector and increase usage of the platform by its existing clients.

Historically, the majority of the Company's revenue was derived from professional services and course sales through its marketplace, while these two divisions will continue to contribute to the Group's revenue, the Group expects platform SaaS revenue to grow significantly faster and become the majority of the Group's revenue over time.

The Company is investing in its online sales channel and website to acquire and onboard Platform SaaS clients online and through inside sales, which will enable it to serve clients beyond its existing markets.

People

Our team is truly committed to bringing our business strategy to fruition. On behalf of the Board, I would like to thank each and every one of our dedicated team members for their hard work throughout the year culminating with the listing of the Company on the ASX in December 2019.

Looking Ahead

The world is currently facing a number of challenges due to COVID-19 and while the potential impact on the Company is not yet clear, a number of education providers have expressed an intention to expand their online education offerings and the Company is actively working with its clients to support their urgent needs.

Through the work that has been performed in FY19, the Board believes the Company is well-positioned to grow and build up its position as one of the leading online education platforms in the market.



Kevin Barry
Chairman

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Directors' Report



Directors' Report

Your directors present their report on the Consolidated Entity (referred to herein as the Group) consisting of OpenLearning Limited and its controlled entities for the financial year ended 31 December 2019.

Directors

The following persons were directors of OpenLearning Limited during or since the end of the financial year up to the date of this report:

Kevin Barry

Non-Executive Chairman (appointed 30 August 2019)

Adam Brimo

Managing Director and Group CEO (appointed 30 August 2019)

Spiro Pappas

Non-Executive Director (appointed 30 August 2019)

David Buckingham

Non-Executive Director (appointed 9 December 2019)

Professor Beverley Oliver

Non-Executive Director (appointed 9 December 2019)

Maya Hari

Non-Executive Director (appointed 9 December 2019)

Particulars of each director's experience and qualifications are set out later in this report.

Principal Activities

The principal activities of the Group during the financial year were:

- 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.

Review of operations and financial position

Results for financial year 2019 ("FY2019"):

- gross sales of \$1,940,762, an increase of 2.8% year-on-year ("y-o-y");
- revenue of \$1,602,613, a decline of (9.2)% y-o-y;
- normalised loss after tax of \$(4,398,704), no significant change y-o-y;
- statutory loss after tax of \$(7,719,951), an increase in losses of 75.8% y-o-y.

	2019 \$	2018 \$	INC/(DEC) %
Revenue from ordinary activities	1,602,613	1,765,095	(9.2)
Revenue comprises of the following:			
Platform SaaS fees	722,525	379,259	90.5
Marketplace sales	585,928	282,139	>100.0
Services sales	632,309	1,227,101	(48.5)
Gross sales	1,940,762	1,888,499	2.8
Less: Sharing of revenue with course creators	(338,149)	(123,404)	>100.0
Revenue	1,602,613	1,765,095	(9.2)

Revenue for FY2019 declined by (9.2)% compared to the comparative FY2018 to \$1,602,613 due to the decline in Services sales. In July 2019, the Company restructured its operations in Australia and Malaysia to focus on growing Platform SaaS revenue by expanding its sales, marketing and customer success teams, and significantly reducing the headcount of its Services division by no longer offering learning design services in Malaysia and reducing the scope of its Services division in Australia. This change in strategy resulted in a decline in Services revenue in FY2019 as compared to FY2018 but led to strong growth in Platform SaaS and Marketplace sales, which grew by 91% and 108% respectively y-o-y.

Gross sales for FY2019 increased by 2.8% y-o-y, despite the reduction in Services sales, due to strong growth in Platform SaaS and Marketplace sales.

Statutory net loss for FY2019 increased 75.8% y-o-y to \$(7,719,951) due to incurring of the following major cost elements:

- operating costs to increase market share in the online education space;
- costs related to rationalisation exercise;
- costs related to pre-IPO and IPO expenses.

There was no significant change y-o-y in the normalised loss after tax for FY2019 at \$(4,398,704). A reconciliation of statutory loss to normalised loss is appended below.

	2019 \$	2018 \$
Normalised loss after tax	(4,398,704)	(4,313,610)
Costs incurred on rationalisation exercise	(250,537)	(78,017)
Pre-IPO and related expenses	(180,829)	–
IPO and related expenses	(2,889,881)	–
Statutory loss after tax	(7,719,951)	(4,391,627)

Cash and cash equivalents increased to \$7,740,768 as at financial year-end due to the proceeds from the successful listing of the Company on the ASX in December 2019.

Significant changes in the state of affairs

The Group undertook the transactions described below during the financial year as part of a corporate reorganisation to facilitate the listing of the Company on the ASX.

The Company acquired the entire issued and paid-up share capital of OLG Australia Investors Pte Ltd ("OLGAI") from all its shareholders ("OLGAI Shareholders") via the entry and execution of a share exchange agreement made between the OLGAI Shareholders and the Company ("OLGAI Share Exchange Agreement").

OLGAI together with a group of minority shareholders ("OLGSG Minority Shareholders") own the entire issued and paid-up share capital of OpenLearning Global Pte Ltd ("OLGSG"). OLGSG in turn owns the entire issued and paid-up share capital in Open Learning Global Pty Ltd ("OLGAU") and OpenLearning Global (M) Sdn Bhd ("OLGMY"). OLGAU and OLGMY are the operating subsidiaries of the Group providing a cloud-based social learning platform, learning design services and sale of education course through a global marketplace.

The Company, together with the execution of the OLGAI Share Exchange Agreement, also acquired the entire issued and paid-up share capital of OLGSG via the entry and execution of a share exchange agreement made between the OLGSG Minority Shareholders and the Company ("OLGSG Share Exchange Agreement").

Pursuant to the OLGAI Share Exchange Agreement and the OLGSG Share Exchange Agreement (collectively, the "Group Share Exchange Agreements"), both the OLGAI Shareholders and the OLGSG Minority Shareholders sold and transferred all their respective shares in OLGAI and OLGSG to the Company in exchange for the Company allotting to each of the OLGAI Shareholders and OLGSG Minority Shareholders new shares in the Company representing all the issued and paid-up shares of the Company.

Following the completion of the Group Share Exchange Agreements, the Company further issued shares (i) pursuant to conversion of convertible notes, (ii) to advisors and a director for services rendered and (iii) for the initial public offering of shares on the ASX.

Directors' Report

Continued

Following the completion of the Group Share Exchange Agreements, the Company held the following subsidiaries as at 31 December 2019:

	2019 %
Held by the Company	
OLG Australia Investors Pte Ltd	100
OpenLearning Global Pte Ltd	100*
Held by OpenLearning Global Pte Ltd	
Open Learning Global Pty Ltd	100
OpenLearning Global (M) Sdn Bhd	100

* 63.89% held via OLG Australia Investors Pte Ltd.

Events after the reporting period

The Company is currently reviewing and closely monitoring the Novel Coronavirus 2019 (COVID-19) situation as it unfolds, ensuring compliance and cooperation with protocols and advice as and when issued by the Government. The Directors are reviewing business operations and strategies and assessing the impact on the Group. The Group is unable to determine at this time the potential impact COVID-19 will have, noting that a number of education providers have expressed an intention to expand their on-line education offerings and the Group is actively working to support their urgent needs.

Future development, prospects and business strategies

Notwithstanding the potential impact that COVID-19 may have on the Group's operations, the Group will continue its strategy to increase high margin platform SaaS revenue by expanding its sales and marketing resources to acquire more clients from the higher education sector and increase usage of the platform by its existing clients.

Historically, the majority of the Group's revenue was derived from professional services and course sales through its marketplace, while these two divisions will continue to contribute to the Group's revenue, the Group expects platform SaaS revenue to grow significantly faster and become the majority of the Group's revenue over time.

The Group is investing in its online sales channel and website to acquire and onboard Platform SaaS clients online and through inside sales, which will enable it to serve clients beyond its existing markets.

Environmental issues

The Group's operations are not regulated by any significant environmental regulations under the laws of the countries where the Group operates in.

Dividends

No dividends were paid or declared during or since the end of the financial year and there were no declared dividends unpaid at the date of this report.

Indemnification and insurance of directors and officers

During the year, the Group has paid a premium in respect of an insurance contract insuring all directors and officers of the Group against liabilities incurred in the capacity as a director or officer of the Group.

Indemnification and insurance of auditor

During the year, the Group has not indemnified or agreed to indemnify the auditor of the Company.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence as the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

During FY2019, the Company incurred investigating accountant's fees payable to Hall Chadwick Corporate (NSW) Limited of \$20,000 pertaining to the preparation of the prospectus for the Company's listing on the ASX.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2019 has been received and can be found on page 30 of the financial report.

Options

At the date of this report, the unissued ordinary shares of OpenLearning Limited under option are as follows:

GRANT DATE	DATE OF EXPIRY	EXERCISE PRICE	NUMBER UNDER OPTION
9 December 2019	9 December 2021	\$0.20	30,833,307
9 December 2019	9 December 2022	\$0.20	2,793,333
9 December 2019	9 December 2022	\$0.30	5,000,000

Option holders do not have any rights to participate in any issues of shares or other interests of the Company or any other entity.

For details of options issued to directors and executives as remuneration, refer to the remuneration report.

During FY2019, a subsidiary of the Company, OLG Australia Investors Pte Ltd, issued a total of 89,589 ordinary shares arising from the exercise of employee share option plan. These shares were issued at the exercise prices per share of \$0.10, \$1.77 and \$2.35.

Other than the above, there have been no options granted over unissued shares or interests of any controlled entity within the Group during or since the end of the reporting period.

Performance rights

As at the date of this report there were 2,750,000 performance rights convertible to shares on 1:1 basis on issue (2018: Nil).

Directors' Report

Continued

Information Relating to Directors and Company Secretary

Kevin Barry

Non-Executive Chairman

Qualifications

B.Comm, LLB

Experience

Kevin Barry 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 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).

Interest in Shares and Options

1,839,788 fully paid ordinary shares

Options to acquire a further 1,534,225 ordinary shares

Special Responsibilities

Member of Audit Committee

Directorships held in other listed entities during the three years prior to the current year

Current director of ICS Global Limited (since 23 July 2010)

Adam Brimo

Managing Director and Group CEO

Qualifications

B.Eng (Software), B.Arts (Politics)

Experience

Adam Brimo 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.

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. Since that time, over 1.65 million students have joined courses, including the first massive open online courses (MOOCs) from Australia and Malaysia.

Interest in Shares and Options

6,532,475 fully paid ordinary shares

Options to acquire a further 126,358 ordinary shares

Performance rights to allow conversion to 2,000,000 ordinary shares

Special Responsibilities

Group CEO

Directorships held in other listed entities during the three years prior to the current year

None

Professor Beverley Oliver

Non-Executive Director

Qualifications

BA(Hons), M.Phil PhD W.Aust, GradDipEd Murdoch, GAICD PFHEA

Experience

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.

Interest in Shares and Options

Options to acquire 1,000,000 ordinary shares

Special Responsibilities

Member of Remuneration Committee

Directorships held in other listed entities during the three years prior to the current year

None

David Buckingham

Non-Executive Director

Qualifications

Engineering Science B.Tech (Hons), ACA ICAEW, GAICD

Experience

David Buckingham was most recently the Group CEO and Managing Director of Navitas (ASX: NVT) from 2018-2019 and the CFO from 2016-2018.

David 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.

Interest in Shares and Options

416,666 fully paid ordinary shares

Options to acquire a further 1,416,666 ordinary shares

Performance rights to allow conversion to 750,000 ordinary shares

Special Responsibilities

Member of Audit Committee

Directorships held in other listed entities during the three years prior to the current year

Navitas Limited (Appointed 1 July 2018; Resigned 5 July 2019)

Directors' Report

Continued

Spiro Pappas

Non-Executive Director

Qualifications

B.Comm (Merit), AICD

Experience

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.

Spiro 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.

Interest in Shares and Options

3,679,091 fully paid ordinary shares

Options to acquire a further 1,547,508 ordinary shares

Special Responsibilities

Member of Audit Committee

Directorships held in other listed entities during the three years prior to the current year

Current director of Splitit Payments Ltd (since 20 January 2019)

Maya Hari

Non-Executive Director

Qualifications

MBA, MS Engineering

Experience

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 as 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.

Interest in Shares and Options

Options to acquire 1,000,000 ordinary shares

Special Responsibilities

Member of Remuneration Committee

Directorships held in other listed entities during the three years prior to the current year

None

Justyn Stedwell

Company Secretary

Qualifications

Bachelor of Business and Commerce (Management and Economics) – Monash University, Graduate Diploma of Accounting – Deakin University, Graduate Diploma of Applied Corporate Governance – Governance Institute of Australia, Graduate Certificate of Applied Finance – Kaplan Professional

Experience

Company Secretary with over 13 years' experience as a Company Secretary of ASX listed companies in various industries including IT and telecommunications, mining and exploration, biotechnology and agriculture.

Meetings of Directors

There were no meetings of directors held during the financial year as the full board was only constituted upon the Company being admitted to the official list of the ASX on 10 December 2019. The Company's shares commenced trading on the ASX on 12 December 2019.

Remuneration Report

The Remuneration Report for Non-Executive Directors, Executive Director and other Key Management Personnel have been prepared under the following main headings:

- (i) Remuneration policy
- (ii) Details of remuneration
- (iii) Service agreements
- (iv) Share-based remuneration
- (v) Other information

(i) Remuneration Policy

The remuneration policy of the Group has been designed:

- to align rewards to business outcomes that deliver value to shareholders
- to create a high performance culture by setting challenging objectives and rewarding individuals based on performance targets met
- to ensure remuneration is competitive in line with market to motivate and retain executive talent

The Board has established a Remuneration Committee which is responsible for determining and reviewing remuneration arrangements for the Directors and the executive team.

The remuneration structure adopted by the Group consists of the following components:

- fixed remuneration being annual salary; and
- short term incentives, being employee share schemes and bonuses for selected executives.

The payment of bonuses, share options, performance rights and other incentive payments are reviewed by the Remuneration Committee annually and a recommendation is put to the Board for approval. All bonuses, options, performance rights and incentives are linked to pre-determined performance criteria.

Directors' Report

Continued

(ii) Details of remuneration

The remuneration for key management personnel (KMP) of the Group during the year was as follows:

		SHORT-TERM BENEFITS			
		Salary and Fees	Profit Share and Bonuses	Non-monetary	Leave and Other
		\$	\$	\$	\$
Executive Director					
Adam Brimo	2019	166,461	50,000	–	28,600
	2018	178,219	–	–	20,870
Non-Executive Directors					
Kevin Barry	2019	3,442	–	–	–
	2018	–	–	–	–
Spiro Pappas	2019	2,692	–	–	–
	2018	–	–	–	–
David Buckingham	2019	2,459	–	–	–
	2018	–	–	–	–
Professor Beverley Oliver	2019	2,459	–	–	–
	2018	–	–	–	–
Maya Hari	2019	19,658	–	–	–
	2018	10,834	–	–	–
Other KMP					
Cherie Diaz	2019	224,231	–	–	15,911
	2018 ⁽¹⁾	88,846	–	–	7,723
Sarveen Kandiah	2019	74,019	–	–	4,902
	2018	54,561	–	–	3,322
David Collien	2019	142,703	–	–	11,589
	2018	125,001	–	–	39,196
Huat Koh	2019	133,884	–	–	11,598
	2018	130,000	–	–	9,013
Total KMP	2019	772,008	50,000	–	72,600
	2018	587,461	–	–	80,124

(1) Cherie Diaz – joined 30 July 2018.

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POST-EMPLOYMENT BENEFITS		LONG-TERM BENEFITS		EQUITY-SETTLED SHARE-BASED PAYMENTS		CASH-SETTLED SHARE-BASED PAYMENTS	TERMINATION BENEFITS	TOTAL
Pension and Superannuation	Other	Incentive Plans	LSL	Shares/Units	Options/Rights			
\$	\$	\$	\$	\$	\$	\$	\$	\$
23,281	-	-	-	-	-	-	-	268,342
16,931	-	-	-	-	-	-	-	216,020
327	-	-	-	-	31,632	-	-	35,401
-	-	-	-	-	-	-	-	-
-	-	-	-	191,667	31,632	-	-	225,991
-	-	-	-	-	-	-	-	-
234	-	-	-	-	31,632	-	-	34,325
-	-	-	-	-	-	-	-	-
234	-	-	-	-	31,632	-	-	34,325
-	-	-	-	-	-	-	-	-
-	-	-	-	-	31,632	-	-	51,290
-	-	-	-	-	-	-	-	10,834
22,813	-	-	-	-	-	-	-	262,955
8,440	-	-	-	-	-	-	-	105,009
10,221	-	-	-	-	-	-	-	89,142
7,521	-	-	-	-	-	-	-	65,404
14,658	-	-	-	-	-	-	-	168,950
11,875	-	-	-	-	-	-	-	176,072
13,821	-	-	-	-	-	-	-	159,303
12,350	-	-	-	-	-	-	-	151,363
85,589	-	-	-	191,667	158,160	-	-	1,330,024
57,117	-	-	-	-	-	-	-	724,702

Directors' Report

Continued

(iii) Service agreements

Remuneration and other terms of employment for the Executive Director and other key management personnel are formalised in a Service Agreement. The major provisions of the agreements relating to remuneration are set out below:

(a) Adam Brimo (Managing Director and Group CEO)

Adam is paid a base salary of \$200,000 per annum (plus superannuation). In addition to the base salary, Adam was paid a \$50,000 cash bonus when the Company was admitted to the official list of ASX. He is also entitled to an incentive bonus of up to \$75,000 payable based on achieving selected and verified performance criteria and 2,000,000 performance rights.

(b) Cherie Diaz (Managing Director, Australia)

Cherie is paid a base salary of \$220,000 per annum (plus superannuation). In addition to the base salary, Cherie is entitled to an incentive bonus of up to \$80,000 payable based on achieving selected and verified performance criteria.

(c) Sarveen Kandiah (Managing Director, Malaysia)

Sarveen is paid a base salary of MYR300,000 per annum. In addition to the base salary, Sarveen is entitled to an incentive bonus of up to MYR100,000 payable based on achieving selected and verified performance criteria.

(d) David Collien

David is paid a base salary of \$150,000 per annum (including superannuation). There is no incentive bonus element in David's service agreement.

(e) Huat Koh

Huat is paid a base salary of \$160,000 per annum (including superannuation). There is no incentive bonus element in Huat's service agreement.

All the above service agreements otherwise contain customary terms for an agreement of such nature, including in relation to intellectual property being the property of the Group, restraint of trade and confidentiality. The service agreements stipulate a range of two to three-month resignation periods.

(iv) Share-based remuneration

All options refer to options over ordinary shares of the Company, which are exercisable on a one-for-one basis under the terms of the agreements.

Options were granted to the Directors during the year with the following key conditions:

- amount payable upon exercise of each option is \$0.30
- option will expire three (3) years following their date of issue
- an option not exercised before the expiry date will automatically lapse on the expiry date.

Performance rights were issued to 2 directors, Adam Brimo and David Buckingham, during the year. These performance rights shall vest (following which the holder of the performance rights may elect to convert the performance rights into ordinary shares of the Company) upon satisfaction of the following milestones:

- 50% of the performance rights held by each holder will vest in the event that the annual recurring revenue of the Group is equal to or greater than \$4,000,000 as at 31 December 2020; and
- 50% of the performance rights held by each holder will vest in the event that the annual recurring revenue of the 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.

Options and rights granted as remuneration

	Balance at Beginning of Year	Issue Date	GRANT DETAILS		EXERCISED		LAPSED	Balance at End of Year No.
			No.	Value \$ (Note 1)	No.	Value \$	No.	
Options								
Kevin Barry	–	9/12/2019	1,000,000	31,632	–	–	–	1,000,000
Spiro Pappas	–	9/12/2019	1,000,000	31,632	–	–	–	1,000,000
David Buckingham	–	9/12/2109	1,000,000	31,632	–	–	–	1,000,000
Professor Beverley Oliver	–	9/12/2019	1,000,000	31,632	–	–	–	1,000,000
Maya Hari	–	9/12/2019	1,000,000	31,632	–	–	–	1,000,000
	–		5,000,000	158,160	–	–	–	5,000,000
Performance rights								
Adam Brimo	–	9/12/2019	2,000,000	–	–	–	–	2,000,000
David Buckingham	–	9/12/2019	750,000	–	–	–	–	750,000
	–		2,750,000	–	–	–	–	2,750,000

Note 1 The fair value of options granted as remuneration as shown in the above table has been determined in accordance with Australian Accounting Standards and will be recognised as an expense over the relevant vesting period to the extent that conditions necessary for vesting are satisfied.

The performance rights are subject to non-market vesting conditions, accordingly no value 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.

Directors' Report

Continued

	VESTED			UNVESTED	
	Balance at End of Year No.	Exercisable No.	Unexercisable No. (Note 2)	Total at End of Year No.	Total at End of Year No.
Group KMP					
Options					
Kevin Barry	1,000,000	–	1,000,000	1,000,000	–
Spiro Pappas	1,000,000	–	1,000,000	1,000,000	–
David Buckingham	1,000,000	–	1,000,000	1,000,000	–
Professor Beverley Oliver	1,000,000	–	1,000,000	1,000,000	–
Maya Hari	1,000,000	–	1,000,000	1,000,000	–
	5,000,000	–	5,000,000	5,000,000	–
Performance rights					
Adam Brimo	2,000,000	–	–	–	2,000,000
David Buckingham	750,000	–	–	–	750,000
	2,750,000	–	–	–	2,750,000

Note 2 The exercise period for the vested options is subject to escrow period imposed by the ASX.

Description of Options/Rights Issued as Remuneration

Details of the options and performance rights granted as remuneration to those KMP listed in the previous table are as follows:

GRANT DATE	ISSUER	ENTITLEMENT ON EXERCISE	DATES EXERCISABLE	EXERCISE PRICE \$	VALUE PER OPTION AT GRANT DATE \$	AMOUNT PAID/PAYABLE BY RECIPIENT \$
9 December 2019	Company	5,000,000 ordinary shares	Within 3 years following grant date	0.30	0.032	1,500,000
9 December 2019	Company	2,750,000 ordinary shares	Following satisfaction of revenue milestones and within 5 years following grant date	–	–	–

Option values at grant date were determined using the Black-Scholes method.

No value has been recognised for the performance rights. An assessment of the performance criteria was carried out and the criteria were not met.

(v) *Other information*

The number of ordinary shares in the Company during the year held by each of the Group's key management personnel, including their related parties, is set out below:

	BALANCE AT BEGINNING OF YEAR	GRANTED AS REMUNERATION DURING THE YEAR	ISSUED ON EXERCISE OF OPTIONS DURING THE YEAR	OTHER CHANGES DURING THE YEAR ⁽¹⁾	BALANCE AT END OF YEAR
Adam Brimo	–	–	–	6,532,475	6,532,475
Kevin Barry	–	–	–	1,839,788	1,839,788
Spiro Pappas	–	958,333	–	2,720,758	3,679,091
David Buckingham	–	–	–	416,666	416,666
Professor Beverley Oliver	–	–	–	–	–
Maya Hari	–	–	–	–	–
Cherie Diaz	–	–	–	504,209	504,209
Sarveen Kandiah	–	–	–	177,945	177,945
David Collien	–	–	–	3,556,743	3,556,743
Huat Koh	–	–	–	152,523	152,523
Total	–	958,333	–	15,901,107	16,859,440

(1) Pursuant to a corporate reorganisation as disclosed under the caption 'Significant changes in the state of affairs' in this directors' report.

There were no other transactions conducted between the Group and KMP or their related parties, apart from those disclosed above relating to equity and compensation, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

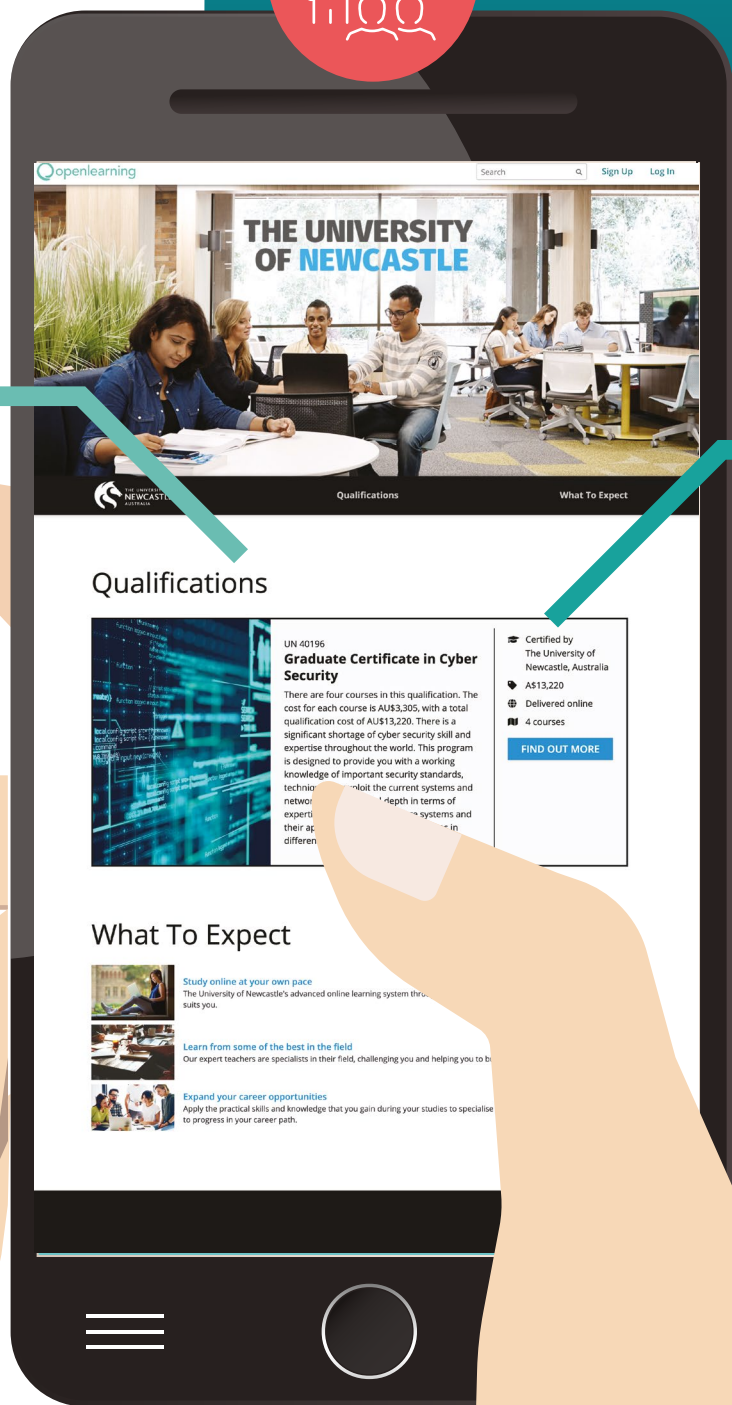
This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



Adam Brimo
Managing Director

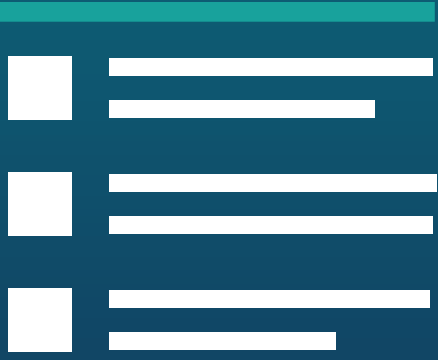
Dated: 27 March 2020

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Auditor's Independence Declaration

HALL CHADWICK  (NSW)

OPENLEARNING LIMITED
ABN 18 635 890 390
AND CONTROLLED ENTITIES
AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF OPENLEARNING LIMITED

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of OpenLearning Limited. As the lead audit partner for the audit of the financial report of OpenLearning Limited for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner
Dated: 27 March 2020

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Financial Report



Consolidated statement of profit or loss

For the financial year ended 31 December 2019

	NOTE	2019	2018
		\$	\$
Revenue	3	1,602,613	1,765,095
Other income	4	18,638	65,560
Items of expense			
Web-hosting and other direct costs		(394,814)	(495,647)
Employee benefits expense		(4,602,273)	(4,260,979)
Depreciation		(62,859)	(23,962)
Promotional and advertising		(121,114)	(236,744)
Professional services		(242,663)	(338,100)
General and administrative costs		(822,856)	(1,041,390)
Pre-IPO and IPO-related costs		(3,070,710)	-
		(7,696,038)	(4,566,167)
Finance income		7,131	29,963
Finance expenses		(31,044)	(11,686)
Loss before tax	5	(7,719,951)	(4,547,890)
Income tax benefit	6	-	156,263
Loss for the year		(7,719,951)	(4,391,627)
Loss for the year attributable to:			
Owners of the Company		(7,719,951)	(4,391,627)
Earnings/(losses) per share attributable to owners of the Company			
Basic earnings/(losses) per share (cents)	9	(5.53)	(13.83)
Diluted earnings/(losses) per share (cents)	9	(5.53)	(13.83)

This statement should be read in conjunction with the notes to the financial statements.

Consolidated statement of comprehensive income

For the financial year ended 31 December 2019

	2019	2018
	\$	\$
Loss for the year	(7,719,951)	(4,391,627)
Other comprehensive income:		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign operations	(4,122)	17,727
Total comprehensive loss for the year	(7,724,073)	(4,373,900)
Attributable to:		
Owners of the Company	(7,724,073)	(4,373,900)

This statement should be read in conjunction with the notes to the financial statements.

Consolidated statement of financial position

As at 31 December 2019

	NOTE	2019	2018
		\$	\$
ASSETS			
Current assets			
Trade and other receivables	10	551,580	566,698
Prepayments		226,576	130,708
Cash and cash equivalents	11	7,740,768	1,076,732
		8,518,924	1,774,138
Non-current assets			
Furniture, fittings and equipment	12	62,392	107,660
Intangible assets	13	453,341	301,412
Right-of-use asset	14	349,405	–
		865,138	409,072
Total assets		9,384,062	2,183,210
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	15	793,582	308,872
Provisions	16	143,650	193,468
Lease liability		132,191	–
Borrowing	18	17,727	–
Deferred revenue		572,737	421,271
		1,659,887	923,611
Net current assets		6,859,037	850,527
Non-current liability			
Lease liability		250,884	–
Other payables	15	199,927	–
Convertible preference shares	17	–	9
		450,811	9
Total liabilities		2,110,698	923,620
Net assets		7,273,364	1,259,590
Equity attributable to the owners of the Company			
Share capital	19	23,233,194	12,937,238
Accumulated losses		(19,413,440)	(11,693,489)
Reserves	20	3,453,610	15,841
Total equity		7,273,364	1,259,590

This statement should be read in conjunction with the notes to the financial statements.

Consolidated statement of changes in equity

For the financial year ended 31 December 2019

	SHARE CAPITAL (NOTE 19)	OTHER RESERVES (NOTE 20)	ACCUMULATED LOSSES	TOTAL
	\$	\$	\$	\$
Opening balance at 1 January 2019	12,937,238	15,841	(11,693,489)	1,259,590
Loss for the year	–	–	(7,719,951)	(7,719,951)
<i>Other comprehensive income</i>				
Foreign currency translation, representing total other comprehensive income/(loss) for the year	–	(4,122)	–	(4,122)
Total comprehensive loss for the year	–	(4,122)	(7,719,951)	(7,724,073)
Conversion of convertible preference shares	9	–	–	9
Valuation of employee share plan	824,606	–	–	824,606
Exercise of employee share plan	96,863	–	–	96,863
Issuance of ordinary shares :				
– pursuant to conversion of convertible notes	3,700,000	–	–	3,700,000
– issuance to advisors and a director	766,667	–	–	766,667
– pursuant to initial public offering of shares	8,000,000	–	–	8,000,000
Equity issuance costs	(1,441,712)	–	–	(1,441,712)
Fair value adjustment on shares issued	(1,650,477)	1,650,477	–	–
Valuation of options issued	–	1,791,414	–	1,791,414
Closing balance at 31 December 2019	23,233,194	3,453,610	(19,413,440)	7,273,364

This statement should be read in conjunction with the notes to the financial statements.

Consolidated statement of changes in equity

For the financial year ended 31 December 2019

	SHARE CAPITAL (NOTE 19)	OTHER RESERVES (NOTE 20)	ACCUMULATED LOSSES	TOTAL
	\$	\$	\$	\$
Opening balance at 1 January 2018	8,189,487	(1,886)	(7,301,862)	885,739
Loss for the year	–	–	(4,391,627)	(4,391,627)
<i>Other comprehensive income</i>				
Foreign currency translation, representing total other comprehensive income/(loss) for the year	–	17,727	–	17,727
Total comprehensive loss for the year	–	17,727	(4,391,627)	(4,373,900)
Issuance of shares	5,550,000	–	–	5,550,000
Equity issuance costs	(802,249)	–	–	(802,249)
Closing balance at 31 December 2018	12,937,238	15,841	(11,693,489)	1,259,590

This statement should be read in conjunction with the notes to the financial statements.

Consolidated statement of cash flows

For the financial year ended 31 December 2019

	NOTE	2019	2018
		\$	\$
Operating activities			
Receipts from customers		2,242,609	1,864,139
Payments to suppliers and employees		(6,135,369)	(6,474,247)
Proceeds from other income		18,638	65,560
Net cash flows used in operating activities	24	(3,874,122)	(4,544,548)
Investing activities			
Purchase of furniture, fittings and equipment, net of disposal		(45,589)	(74,201)
Purchase of intangible assets		(101,691)	(240,006)
Net cash flows used in investing activities		(147,280)	(314,207)
Financing activities			
Proceeds from issuance of equity shares		8,000,000	5,550,000
Proceeds from issuance of convertible notes		3,700,000	–
Proceeds from exercise of employee share options		96,863	–
Proceeds from issuance of convertible preference shares		–	8
Proceeds from borrowing, net of repayment		17,727	–
Payments for pre-IPO and IPO costs		(618,334)	–
Share issue expenses		(511,401)	(802,249)
Net cash flows generated from financing activities		10,684,855	4,747,759
Net increase / (decrease) in cash and cash equivalents		6,663,453	(110,996)
Effect of exchange rate changes on cash and cash equivalents		583	5,234
Cash and cash equivalents at beginning of the year		1,076,732	1,182,494
Cash and cash equivalents at end of the year	11	7,740,768	1,076,732

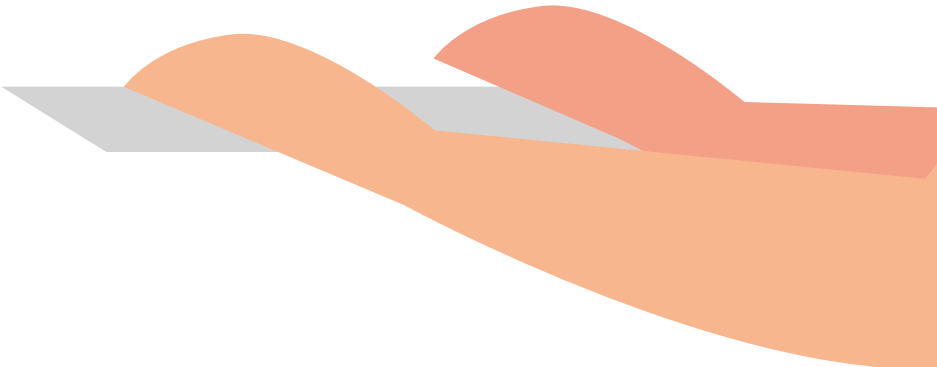
This statement should be read in conjunction with the notes to the financial statements.



Universiti Malaysia Sarawak

Universiti Malaysia Sarawak (UNIMAS), Malaysia's eighth university was officially incorporated on 24 December 1992. A university that is contemporary in character and forward-looking in outlook, it is committed in providing the nation with leaders, managers, scientists and technical specialists as well as thoughtful citizens who are capable of handling the complex challenges of our common future - confidently, competently, and creatively.

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Notes to the financial statements

31 December 2019

The consolidated financial statements and notes represent those of OpenLearning Limited and its Controlled Entities (the Group).

The separate financial statements of the Parent Entity, OpenLearning Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 27 March 2020 by the directors of the Company.

1. Summary of significant accounting policies

1.1 Basis of preparation

These general purpose consolidated financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

1.2 Going concern

The financial statements have been prepared on the going concern basis which assumes the Company and the 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 Group has incurred a net loss after tax of \$7,719,951 (2018: \$4,391,627) for the financial year ended 31 December 2019. During the financial year the Group also had net cash outflows from operating activities of \$3,874,122 (2018: \$4,544,548).

The admission of the Company to the official list of the ASX on 10 December 2019 raised total proceeds of \$8.0 million for the Group. The Company believes that the proceeds raised from the IPO, together with the on-going sales collection, will enable the continuation of its business. Therefore, 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 Group not continue as going concerns.

1.3 Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (OpenLearning Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 22.

Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Where applicable, equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

The consolidated financial statements of the Group have been prepared in accordance with the pooling of interest method as the Group is a continuation of the existing business of OpenLearning Global Pte Ltd and its subsidiaries. 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 a common control 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 Group obtains control, and continue to be consolidated until the date that such control ceases.

1.4 Functional and presentation currency

The functional currency of each of the Group's entities is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the Parent Entity's functional currency.

1. Summary of significant accounting policies (cont'd)

1.4 Functional and presentation currency (cont'd)

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except exchange differences that arise from net investment hedges.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at exchange rates on the date of transaction; and
- all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position and allocated to non-controlling interest where relevant. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

1.5 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.

1.6 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost and where applicable, less any accumulated amortisation and/or 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.

Notes to the financial statements

Continued

1. Summary of significant accounting policies (cont'd)

1.6 Intangible assets (cont'd)

(i) Domain names and trademarks

Domain names and trademarks are recognised at cost of acquisition. They are considered to have an infinite life and are carried at cost less any impairment losses.

(ii) Computer software

Computer software is recorded at cost. Where software is acquired at no cost, or for a nominal cost, the cost is its fair value as at the date of acquisition. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of ten years. Any costs incurred to improve the software after acquisition is expensed to the profit or loss. It is assessed annually for impairment.

1.7 Impairment of non-financial assets

The 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 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.

1.8 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or the sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in paragraph 63 of AASB 15: Revenue from Contracts with Customers.

Classification and subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense to profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

1. Summary of significant accounting policies (cont'd)

1.8 Financial instruments (cont'd)

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).
- On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

1.9 Impairment

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach; and
- the simplified approach.

General approach

Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there has been no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that result from transactions that are within the scope of AASB 15: Revenue from Contracts with Customers, and which do not contain a significant financing component; and
- lease receivables.
- In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

Notes to the financial statements

Continued

1. Summary of significant accounting policies (cont'd)

1.10 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.

1.11 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.

1.12 Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

1.13 Employee benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave entitlements are recognised as provisions in the statement of financial position.

Defined contribution benefits

All employees of the Group receive defined contribution entitlements, for which the Group pays fixed contribution to the employee's superannuation fund of choice for the employees in Australia and to a state pension fund for the employees in Malaysia. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid contributions at the end of the reporting period. All obligations for unpaid contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of:

- the date when the Group can no longer withdraw the offer for termination benefits; and
- when the Group recognises costs for restructuring pursuant to AASB 137: *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits.

In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid.

Equity-settled compensation

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments at grant date and amortised over the vesting periods. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

1.14 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the 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 SaaS fees

Revenue from platform SaaS fees 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 revenue sharing arrangements.

(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.

1. Summary of significant accounting policies (cont'd)

1.14 Revenue (cont'd)

Platform SaaS fees 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.

1.15 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 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:

- 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
- In respect of taxable temporary differences associated with investments in subsidiaries and associate, 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.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition 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

- In respect of deductible temporary differences associated with investments in subsidiaries and associate, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(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 Group operates. Revenues, expenses and assets are recognised net of the amount of sales tax except:

- 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
- Receivables and payables are stated with the amount of sales tax included.

1.16 Borrowing Costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.17 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.

Notes to the financial statements

Continued

1. Summary of significant accounting policies (cont'd)

1.18 Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

1.19 New and Amended Accounting Policies Adopted by the Group

Initial application of AASB 16

The Group has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 January 2019. In accordance with AASB 16, the comparatives for the 2018 reporting period have not been restated.

The Group has recognised a lease liability and right-of-use asset for all leases (with the exception of short-term and low-value leases) recognised as operating leases under AASB 117: Leases where the Group is the lessee. There has been no significant change from prior year treatment for leases where the Group is a lessor.

The lease liabilities are measured at the present value of the remaining lease payments. The Group adopted a discount rate of 2.0% p.a. to discount the lease payments.

The right-of-use assets for the Group's leases were measured and recognised in the statement of financial position as at 1 January 2019. There is no impact to the Group's financial position as at 1 January 2019 as the lease liability was only contracted at the end of the financial year 2019.

The following practical expedients have been used by the Group in applying AASB 16 for the first time:

- for a portfolio of leases that have reasonably similar characteristics, a single discount rate has been applied;
- leases that have a remaining lease term of less than 12 months as at 1 January 2019 have been accounted for in the same way as short-term leases;
- the use of hindsight to determine lease terms on contracts that have options to extend or terminate;
- applying AASB 16 to leases previously identified as leases under AASB 117 and Interpretation 4: *Determining whether an arrangement contains a lease* without reassessing whether they are, or contain, a lease at the date of initial application; and
- not applying AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4.

2. Critical accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Recognition of Services revenue

The amounts of revenue recognised in the reporting period depends on the extent to which the performance obligations have been satisfied. Recognising Services revenue requires significant judgement in determining milestones, actual work performed and the estimated costs to complete the work.

(b) Share-based payment transactions

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

(c) Capitalisation of computer software

Distinguishing the phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. Post-capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

2.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in assumptions when they occur.

(a) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model.

(b) Impairment of receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

Notes to the financial statements

Continued

3. Revenue

	GROUP	
	2019 \$	2018 \$
Revenue from contracts with customers		
Platform SaaS fees	722,525	379,259
Marketplace sales	247,779	158,735
Services sales	632,309	1,227,101
	1,602,613	1,765,095

3.1 The Group has disaggregated revenue into various categories in the following table. The revenue is disaggregated by geographical market, product/service lines and timing of revenue recognition.

	YEAR TO 31 DECEMBER 2019							
	Platform SaaS		Services		Marketplace		Total	
	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$
Geographical markets								
Australia	499,726	320,361	375,475	696,300	207,234	93,649	1,082,435	1,110,310
Malaysia	211,579	58,089	256,834	530,801	40,545	65,086	508,958	653,976
Singapore	11,220	809	–	–	–	–	11,220	809
	722,525	379,259	632,309	1,227,101	247,779	158,735	1,602,613	1,765,095
Timing of revenue recognition								
Products and services transferred to customers:								
At a point in time	–	–	–	–	247,779	158,735	247,779	158,735
Over time	722,525	379,259	632,309	1,227,101	–	–	1,354,834	1,606,360
	722,525	379,259	632,309	1,227,101	247,779	158,735	1,602,613	1,765,095

4. Other income

	GROUP	
	2019 \$	2018 \$
Government grant	13,632	–
Others	5,006	65,560
	18,638	65,560

5. Loss for the year

Loss before income tax from continuing operations includes the following specific expenses:

	GROUP	
	2019 \$	2018 \$
Employee benefits expense		
– severance costs	183,019	78,017
Depreciation		
– depreciation on furniture, fittings and equipment	31,095	23,962
– depreciation on right-of-use asset	31,764	–
Professional services		
– contractors	104,437	108,338
General and administrative costs		
– write-off / loss on disposal of furniture, fittings and equipment	61,017	14,775
– surrender of lease costs	67,518	–
– foreign currency translation gains / (losses)	13,538	26,857
– impairment of trade receivables	15,354	180,826
– travelling costs	101,131	150,300
Pre-IPO and IPO-related costs		
– share-based payments	2,452,376	–

6. Income tax

6.1 Income tax benefit

There is no income tax expense for the current financial year as the Group does not have chargeable income. The Group recorded an income tax benefit of \$156,263 for the comparative FY2018 arising from approved research and development tax incentives.

At the end of the reporting period, the Group has tax losses of approximately \$15,014,000 (2018: \$9,302,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of their recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Notes to the financial statements

Continued

6. Income tax (cont'd)

6.2 The prima facie tax on losses from ordinary activities before income tax is reconciled to the income tax as follows:

	GROUP	
	2019 \$	2018 \$
Loss before tax from continuing operations	(7,719,951)	(4,547,890)
Prima facie tax benefit on loss from ordinary activities before tax at the domestic tax rates where the Group operates	(2,041,189)	(1,192,640)
Add/(subtract):		
Tax effect of:		
– non-allowable items	842,192	52,402
– effect of tax losses not recognised	1,325,226	1,189,842
– tax benefit of deductible equity raising costs	(117,456)	–
– under-provision for income tax in prior year	30,689	–
– movement in unrecognised temporary difference	(39,462)	(49,604)
Income tax attributable to entity	–	–

The above reconciliation is prepared by aggregating separate reconciliations for each tax jurisdiction where the Group operates. A summary of the domestic tax rates by country where the Group operates is as follows:

	2019	2018
	%	%
Australia	27.5	27.5
Singapore	17.0	17.0
Malaysia	24.0	24.0

7. Key Management Personnel

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 31 December 2019.

The totals of remuneration paid to KMP of the Group during the year are as follows:

	2019	2018
	\$	\$
Short-term employee benefits	894,608	667,585
Post-employment benefits	85,589	57,117
Share-based payments	349,827	–
Total KMP compensation	1,330,024	724,702

7. Key Management Personnel (cont'd)

Short-term employee benefits

These amounts include fees paid to the non-executive Chairman and non-executive directors as well as all salary, paid leave benefits and any cash bonuses awarded to an executive director and other KMP.

Post-employment benefits

These amounts are the current-year's estimated costs of providing for the Group's superannuation contributions made during the year.

Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

Further information in relation to KMP remuneration can be found in the directors' report.

8. Auditors' remuneration

	GROUP	
	2019 \$	2018 \$
Remuneration of the auditor for:		
– auditing or reviewing the financial statements	37,940	22,664
– preparation of investigating accountants report	20,000	–
	57,940	22,664

9. Earnings/(losses) per share

Basic earnings/(losses) per share is calculated by dividing the profit/(loss) for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following table reflects the loss and share data used in the computation of basic earnings/(losses) per share for the years ended 31 December:

	GROUP	
	2019	2018
Loss for the year attributable to owners of the Company (\$)	(7,719,951)	(4,391,627)
Weighted average number of ordinary shares for basic earnings per share computation	139,666,641	31,749,315

The effects from the potential ordinary shares of the Company arising from the conversion of share-based payments are deemed anti-dilutive. Accordingly, the basic and diluted earnings per share for the financial years 2019 and 2018 are the same.

Notes to the financial statements

Continued

10. Trade and other receivables

GROUP			
	Note	2019 \$	2018 \$
CURRENT			
Trade receivables		651,287	700,234
Provision for impairment	10a(i)	(187,094)	(183,908)
		464,193	516,326
Other receivables		87,387	50,372
Provision for impairment		–	–
		87,387	50,372
Total current trade and other receivables		551,580	566,698

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

The following table shows the movement in lifetime expected credit loss that has been recognised for trade and other receivables in accordance with the simplified approach set out in AASB 9: *Financial Instruments*.

GROUP				
	Opening balance	Net measurement of loss allowance	Amounts written off	Closing balance
	1 January 2018 \$	\$	\$	31 December 2018 \$
a. Lifetime Expected Credit Loss: Credit Impaired				
(i) Current trade receivables	3,082	180,826	–	183,908

GROUP				
	Opening balance	Net measurement of loss allowance	Amounts written off	Closing balance
	1 January 2019 \$	\$	\$	31 December 2019 \$
a. Lifetime Expected Credit Loss: Credit Impaired				
(i) Current trade receivables	183,908	15,354	(12,168)	187,094

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 December 2019 is determined as follows; the expected credit losses also incorporate forward-looking information.

The "amounts written off", if any, are all due to customers declaring bankruptcy, or term receivables that have now become unrecoverable.

10. Trade and other receivables (cont'd)

	CURRENT	>30 DAYS PAST DUE	>60 DAYS PAST DUE	>90 DAYS PAST DUE	TOTAL
	\$	\$	\$	\$	\$
2019					
Expected loss rate	0%	0%	0%	83.7%	25.3%
Gross carrying amount	421,584	26,629	66,903	223,558	738,674
Loss allowing provision	–	–	–	187,094	187,094

	CURRENT	>30 DAYS PAST DUE	>60 DAYS PAST DUE	>90 DAYS PAST DUE	TOTAL
	\$	\$	\$	\$	\$
2018					
Expected loss rate	0%	0%	0%	53.6%	24.5%
Gross carrying amount	380,941	26,193	548	342,924	750,606
Loss allowing provision	–	–	–	183,908	183,908

Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within this note. In FY2017, there was a significant contract signed with a private education institution in Malaysia that subsequently encountered financial difficulty. The Group made an impairment of \$178,481 for this receivable in FY2018 representing 50% of the total receivable from this debtor. This debtor has since settled the balance of the 50% owing that has not been impaired. The Group has determined that the amount impaired is uncollectible and has written off this amount as at the date of this report. The class of assets described as "trade and other receivables" is considered to be the main source of credit risk related to the Group.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery; for example, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

Collateral Pledged

A charge over trade receivables transacted through the Paypal platform has been provided for a borrowing. Refer to Note 18 for further details.

11. Cash and cash equivalents

	GROUP	
	2019 \$	2018 \$
Cash at bank and on hand	1,641,000	828,173
Cash with online payment providers	1,618	1,105
Short-terms deposits placed with banks	6,098,150	247,454
	7,740,768	1,076,732

Included in short-term deposits of the Group as at 31 December 2019 is an amount of \$98,150 (2018: \$142,952) that is pledged to a bank as collateral for the issuance of a bank guarantee in respect of an office tenancy. The restriction on these bank deposits were removed prior to the date of this report.

Notes to the financial statements

Continued

12. Furniture, fittings and equipment

	GROUP			
	Computer \$	Office equipment \$	Leasehold Improvement \$	Total \$
2019				
Cost				
At 1 January 2019	54,649	57,865	42,402	154,916
Additions	6,207	5,490	33,892	45,589
Disposals	(38,600)	(44,027)	(45,941)	(128,568)
Exchange difference	728	754	646	2,128
At 31 December 2019	22,984	20,082	30,999	74,065
Accumulated depreciation				
At 1 January 2019	10,864	22,031	14,361	47,256
Depreciation for the year	9,330	12,227	9,538	31,095
Disposals	(14,184)	(30,092)	(23,274)	(67,550)
Exchange difference	192	403	277	872
At 31 December 2019	6,202	4,569	902	11,673
Net carrying amount	16,782	15,513	30,097	62,392

	GROUP			
	Computer \$	Office equipment \$	Leasehold Improvement \$	Total \$
2018				
Cost				
At 1 January 2018	21,898	101,238	44,455	167,591
Additions	47,584	21,537	5,080	74,201
Disposals	(16,657)	–	(9,362)	(26,019)
Reclassified to Intangible assets	–	(28,556)	–	(28,556)
Written off	–	(39,147)	(640)	(39,787)
Exchange difference	1,824	2,793	2,869	7,486
At 31 December 2018	54,649	57,865	42,402	154,916
Accumulated depreciation				
At 1 January 2018	10,058	50,654	10,395	71,107
Depreciation for the year	9,237	9,308	5,417	23,962
Disposals	(9,510)	–	(1,734)	(11,244)
Written off	–	(39,147)	(640)	(39,787)
Exchange difference	1,079	1,216	923	3,218
At 31 December 2018	10,864	22,031	14,361	47,256
Net carrying amount	43,785	35,834	28,041	107,660

13. Intangible assets

GROUP				
	Domain names and trademarks \$	Goodwill \$	Computer software work- in-progress \$	Total \$
2019				
Cost				
At 1 January 2019	37,096	24,500	239,816	301,412
Additions	–	–	147,776	147,776
Exchange difference	–	–	4,153	4,153
At 31 December 2019	37,096	24,500	391,745	453,341
Net carrying amount	37,096	24,500	391,745	453,341

GROUP				
	Domain names and trademarks \$	Goodwill \$	Computer software work- in-progress \$	Total \$
2018				
Cost				
At 1 January 2018	8,350	24,500	–	32,850
Additions	190	–	239,816	240,006
Reclassified from Furniture, fittings and equipment	28,556	–	–	28,556
At 31 December 2018	37,096	24,500	239,816	301,412
Net carrying amount	37,096	24,500	239,816	301,412

Domain names and trademarks are recognised at cost of acquisition. Goodwill represents premium paid for business assets. These are considered to have an infinite life and are carried at cost less any impairment losses.

Computer software is recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of ten years. Amortisation commences when the software is ready for commercial use.

Domain names and trademarks and Goodwill are allocated to the cash-generating unit which is based on the Group's reporting geographical segment in Australia.

Notes to the financial statements

Continued

14. Right-of-use asset

The Group's lease comprises a lease of office premises. This lease has a lease term of 3 years.

	2019
	\$
i) AASB 16 related amounts recognised in the balance sheet	
Right of use assets	
Leased office premises	381,169
Accumulated depreciation	(31,764)
Total right-of-use asset	349,405
Movement in carrying amounts:	
Leased office premises:	
At 1 January 2019	–
Additions	381,169
Depreciation expense	(31,764)
Net carrying amount	349,405

	2019
	\$
ii) AASB 16 related amounts recognised in the statement of profit or loss	
Depreciation charge related to right-of-use assets	31,764
Interest expense on lease liabilities	1,906
Short-term leases expense	277,288
Low-value asset leases expense	27,572
Total cash outflows for leases	304,860

15. Trade and other payables

	GROUP	
	2019 \$	2018 \$
CURRENT		
Trade payables	452,514	179,448
Other payables and accrued expenses	341,068	129,424
	793,582	308,872
NON-CURRENT		
Other payables	199,927	–
	993,509	308,872
a. Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables:		
– total current	793,582	308,872
– total non-current	199,927	–
Financial liabilities as trade and other payables	993,509	308,872

Included in other payables for 2019 is an amount of \$389,516 of which \$199,927 is disclosed as non-current (2018: Nil) owing to the Australian Tax Office being an instalment plan payable over 23 monthly instalments arising from PAYG withheld for which interest is charged at average rate of 7.98% p.a. Trade and other payables are otherwise non-interest bearing.

16. Provisions

	GROUP	
	2019 \$	2018 \$
Current:		
Provision for annual leave	143,650	193,468

17. Convertible preference shares

A subsidiary of the Company, OpenLearning Global Pte Ltd, issued a total of 5,580,982 convertible preference shares ("CPS") in the comparative FY2018 at an aggregate issue price of \$9.00 as part of a funds raising exercise completed in FY2018. These CPS were converted to equity shares in the subsidiary in FY2019 as part of a corporate restructuring in preparation for the Company's listing on the ASX.

18. Borrowing

The borrowing balance represents a working capital loan provided by Paypal which is secured over the funds transacted through the Paypal payment gateway. This borrowing attracts an upfront loan fee of 18.5% with the borrowing repaid from 30% deduction of the receivables collected through the payment gateway until the borrowing is fully settled.

Notes to the financial statements

Continued

19. Share capital

	GROUP			
	2019		2018	
	No. of shares	\$	No. of shares	\$
Issued and fully paid ordinary shares:				
At 1 January	25,000,000	5,189,487	25,000,000	5,189,487
Issuance of shares during the period :				
– pursuant to OLGAI Share Exchange Agreement	16,527,200	96,863	–	–
– pursuant to OLGSG Share Exchange Agreement	23,472,801	8,550,009	–	–
– pursuant to conversion of convertible notes	30,833,307	3,700,000	–	–
– issuance to advisors and a director	3,833,333	766,667	–	–
– pursuant to initial public offering of shares	40,000,000	8,000,000	–	–
Fair value adjustment on shares issued	–	(825,871)		
At 31 December	139,666,641	25,477,155	25,000,000	5,189,487
Issued and fully paid "A" shares:				
At 1 January	7,500,000	7,500,000	3,000,000	3,000,000
Issuance of shares during the period	–	–	4,500,000	4,500,000
Shares issued on conversion of convertible preference shares	4,895,597	3	–	–
Transfer pursuant to OLGSG Share Exchange Agreement	(12,395,597)	(7,500,003)	–	–
At 31 December	–	–	7,500,000	7,500,000
Issued and fully paid "B" shares:				
At 1 January	1,050,000	1,050,000	–	–
Issuance of shares during the period	–	–	1,050,000	1,050,000
Shares issued on conversion of convertible preference shares	685,384	6	–	–
Transfer pursuant to OLGSG Share Exchange Agreement	(1,735,384)	(1,050,006)	–	–
At 31 December	–	–	1,050,000	1,050,000
Equity issuance costs	–	(2,243,961)	–	(802,249)
Total ordinary, "A" and "B" shares at 31 December	139,666,641	23,233,194	33,550,000	12,937,238

Corporate reorganisation

The Group undertook the transactions described below in FY2019 as part of a corporate reorganisation to facilitate the listing of the Company on the ASX.

The Company acquired the entire issued and paid-up share capital of OLG Australia Investors Pte Ltd ("OLGAI") from all its shareholders ("OLGAI Shareholders") via the entry and execution of a share exchange agreement made between the OLGAI Shareholders and the Company ("OLGAI Share Exchange Agreement").

19. Share capital (cont'd)

OLGAI together with a group of minority shareholders ("OLGSG Minority Shareholders") owns the entire issued and paid-up share capital of OpenLearning Global Pte Ltd ("OLGSG"). OLGSG in turn owns the entire issued and paid-up share capital in Open Learning Global Pty Ltd ("OLGAU") and OpenLearning Global (M) Sdn Bhd ("OLGMY"). OLGAU and OLGMY are the operating subsidiaries of the Group providing a cloud-based social learning platform, learning design services and sale of education courses through a global marketplace.

The Company, together with the execution of the OLGAI Share Exchange Agreement, also acquired the entire issued and paid-up share capital of OLGSG via the entry and execution of a share exchange agreement made between the OLGSG Minority Shareholders and the Company ("OLGSG Share Exchange Agreement").

Pursuant to the OLGAI Share Exchange Agreement and the OLGSG Share Exchange Agreement (collectively, the "Group Share Exchange Agreements"), both the OLGAI Shareholders and the OLGSG Minority Shareholders sold and transferred all their respective shares in OLGAI and OLGSG to the Company in exchange for the Company allotting to each of the OLGAI Shareholders and OLGSG Minority Shareholders new shares in the Company representing all the issued and paid-up shares of the Company.

Following the completion of the Group Share Exchange Agreements, the Company further issued shares (i) pursuant to conversion of convertible notes, (ii) to advisors and a director for services rendered and (iii) for the initial public offering of shares on the ASX.

20. Reserves

	GROUP	
	2019 \$	2018 \$
Foreign currency translation reserve	11,719	15,841
Common control reserve	1,650,477	–
Share option reserve	1,791,414	–
	3,453,610	15,841

(i) Foreign currency translation reserve

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of the Company and its subsidiaries whose functional currencies are different from that of the Group's presentation currency.

(ii) Common control reserve

Common control reserve records difference between the fair value of net assets acquired and consideration paid.

(iii) Share option reserve

Share option reserve records items recognised as expenses on valuation of share options.

21. Financial risk management

The Group's principal financial instruments comprise of receivables, payables, cash at bank and short-term deposits.

The Board of Directors has overall responsibility for the oversight and management of the Group's exposure to a variety of financial risks (including credit risk, foreign currency risk, liquidity risk and interest rate risk).

The overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on the financial performance including the review of future cash flow requirements.

Notes to the financial statements

Continued

21. Financial risk management (cont'd)

(a) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from cash outflows from current operating losses. The Group's objective is to focus on maintaining an appropriate level of overheads in line with the Group's business plan and available cash resources, with the objective of achieving a cashflow positive business within the budgeted timeline.

The table below summarise the maturity profile of the Group's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	WITHIN 1 YEAR		1 TO 5 YEARS		OVER 5 YEARS		TOTAL	
	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$
Group								
Financial assets – cash flows realisable								
Trade and other receivables	551,580	566,698	–	–	–	–	551,580	566,698
Cash and short-term deposits	7,740,768	1,076,732	–	–	–	–	7,740,768	1,076,732
Total anticipated inflows	8,292,348	1,643,430	–	–	–	–	8,292,348	1,643,430
Financial liabilities due for payment								
Trade and other payables	793,582	308,872	199,927	–	–	–	993,509	308,872
Lease liability	132,191	–	250,884	–	–	–	383,075	–
Borrowing	17,727	–	–	–	–	–	17,727	–
Total expected outflows	943,500	308,872	450,811	–	–	–	1,394,311	308,872
Net inflow/(outflow) on financial instruments	7,348,848	1,334,558	(450,811)	–	–	–	6,898,037	1,334,558

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group minimise credit risk by dealing with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades with third parties that are considered creditworthy. In addition, receivable balances are monitored on an ongoing basis.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the balance sheets.

Credit risk concentration profile

Except as disclosed in Note 10 above, the Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment records with the Group. Cash and short-term deposits and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 10.

21. Financial risk management (cont'd)

(c) Foreign currency risk

Exposure to foreign currency risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

With instruments being held by overseas operations, fluctuations in the SGD Singapore dollar and USD United States dollar may impact on the Group's financial results.

The following table shows the foreign currency risk on the financial assets and liabilities of the Group's operations denominated in currencies other than the functional currency of the operations.

2019	NET FINANCIAL ASSETS/(LIABILITIES) IN AUD			
	USD	SGD	Other	Total AUD
Group				
Functional currency of entity:				
Australian dollar	19,873	15,040	–	34,913
Statement of financial position exposure	19,873	15,040	–	34,913

2018	NET FINANCIAL ASSETS/(LIABILITIES) IN AUD			
	USD	SGD	Other	Total AUD
Group				
Functional currency of entity:				
Australian dollar	(2,774)	2,989	–	215
Statement of financial position exposure	(2,774)	2,989	–	215

Foreign currency risk concentration profile

The Group does not have any significant exposure to any specific foreign currency grouping nor does it have any major concentration of foreign currency risk related to any financial instruments.

(d) Interest rate risk

The Group's exposure to market interest rates relate to cash deposits held at variable rates. The management monitors its interest rate exposure and consideration is given to potential renewals of existing positions.

Sensitivity analysis for interest rate risk

The following table demonstrate the sensitivity of profit/(loss) and equity to a reasonably possible change in interest rates of +/- 50 basis points, with all other variables held constant.

	GROUP	
	Profit \$	Equity \$
Year ended 31 December 2019		
+0.5% in interest rates	38,704	38,704
-0.5% in interest rates	(38,704)	(38,704)
Year ended 31 December 2018		
+0.5% in interest rates	5,384	5,384
-0.5% in interest rates	(5,384)	(5,384)

Notes to the financial statements

Continued

22. Interests in subsidiaries

NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	PROPORTION (%) OF OWNERSHIP INTEREST	
			2019 %	2018 %
Held by the Company				
OLG Australia Investors Pte Ltd	Investment holding	Singapore	100	100
OpenLearning Global Pte Ltd	Investment holding and provision of online education platform and services	Singapore	100*	100**
Held by OpenLearning Global Pte Ltd				
Open Learning Global Pty Ltd	Provision of online education platform and services.	Australia	100	100
OpenLearning Global (M) Sdn Bhd	Provision of online education platform and services.	Malaysia	100	100

* 63.89% held via OLG Australia Investors Pte Ltd.

** 74.52% held via OLG Australia Investors Pte Ltd.

23. Operating segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by management in assessing performance and determining the allocation of resources.

The Group's sales, marketing and professional services operations are managed on the basis of geographical location. The Group's shared services, which includes software engineering, product management and finance, are primarily located in Australia and expenses are primarily booked within the Australian entity, with the addition of a separate corporate overheads segment. Operating segments are therefore determined on the same basis and the Group has four reportable segments as follows:

- (a) Australia
- (b) Malaysia
- (c) Singapore
- (d) Corporate (based in Australia)

23. Operating segments (cont'd)

	AUSTRALIA	MALAYSIA	SINGAPORE	CORPORATE (AUSTRALIA)	TOTAL
	\$	\$	\$	\$	\$
2019					
Revenue:					
External sales	1,082,435	508,958	11,220	–	1,602,613
Segment results:					
Web-hosting and other direct costs	(200,007)	(194,424)	(383)	–	(394,814)
Employees benefit expenses	(3,272,534)	(1,133,985)	(114,673)	(81,081)	(4,602,273)
Depreciation	(39,828)	(22,734)	(297)	–	(62,859)
Promotional and advertising	(93,721)	(9,593)	(1,366)	(16,434)	(121,114)
Professional services	(152,272)	(13,184)	(57,327)	(19,880)	(242,663)
General and administration	(587,426)	(207,977)	(15,604)	(11,849)	(822,856)
Pre-IPO and IPO-related costs	–	–	(245,548)	(2,825,162)	(3,070,710)
Segment loss	(3,277,271)	(1,068,187)	(422,964)	(2,951,529)	(7,719,951)
Segment assets	1,247,588	881,067	129,894	7,125,513	9,384,062
Segment liabilities	1,559,841	470,000	94,650	(13,793)	2,110,698

	AUSTRALIA	MALAYSIA	SINGAPORE	CORPORATE (AUSTRALIA)	TOTAL
	\$	\$	\$	\$	\$
2018					
Revenue:					
External sales	1,110,310	653,976	809	–	1,765,095
Segment results:					
Web-hosting and other direct costs	(392,830)	(102,817)	–	–	(495,647)
Employees benefit expenses	(3,017,260)	(1,182,466)	(61,253)	–	(4,260,979)
Depreciation	(3,785)	(20,036)	(141)	–	(23,962)
Promotional and advertising	(170,144)	(60,199)	(6,401)	–	(236,744)
Professional services	(209,169)	(35,902)	(93,029)	–	(338,100)
General and administration	(604,579)	(401,359)	(35,452)	–	(1,041,390)
Segment loss	(3,265,068)	(1,095,237)	(187,585)	–	(4,547,890)
Segment assets	1,068,921	851,352	262,937	–	2,183,210
Segment liabilities	756,368	143,710	23,542	–	923,620

Notes to the financial statements

Continued

24. Cash flow information

Reconciliation of cash flows from operating activities with loss after income tax:

	GROUP	
	2019 \$	2018 \$
Loss after tax	(7,719,951)	(4,391,627)
Non-cash flows in loss for the year:		
Depreciation	62,859	23,962
Write-off / Loss on disposal of furniture, fittings and equipment	61,017	14,775
Unrealised exchange (gain) / loss	(10,113)	7,705
Pre-IPO and IPO Costs	3,070,710	–
Changes in assets and liabilities:		
Increase in trade and other receivables	(80,750)	(209,493)
Increase in trade and other payables	742,106	10,130
Net cash flows used in operating activities	(3,874,122)	(4,544,548)

25. Lease commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements:

	GROUP	
	2019 \$	2018 \$
Payable – minimum lease payments:		
Not later than one year	–	270,729
Later than one year and not later than five years	–	809,450
	–	1,080,179

The leases for the comparative FY2018 are in respect of commercial lease for the Group's office premises that have been terminated in FY2019.

26. Events after the reporting period

The Company is currently reviewing and closely monitoring the Novel Coronavirus 2019 (COVID-19) situation as it unfolds, ensuring compliance and cooperation with protocols and advice as and when issued by the Government. The Directors are reviewing business operations and strategies and assessing the impact on the Group. The Group is unable to determine at this time the potential impact COVID-19 will have, noting that a number of education providers have expressed an intention to expand their on-line education offerings and the Group is actively working to support their urgent needs.

Directors' declaration

In accordance with a resolution of the directors of OpenLearning Limited, the directors of the Company declare that:

1. the financial statements and notes, as set out, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - b. give a true and fair view of the financial position as at 31 December 2019 and of the performance for the year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

On behalf of the Board of Directors



Adam Brimo
Managing Director

Dated: 27 March 2020

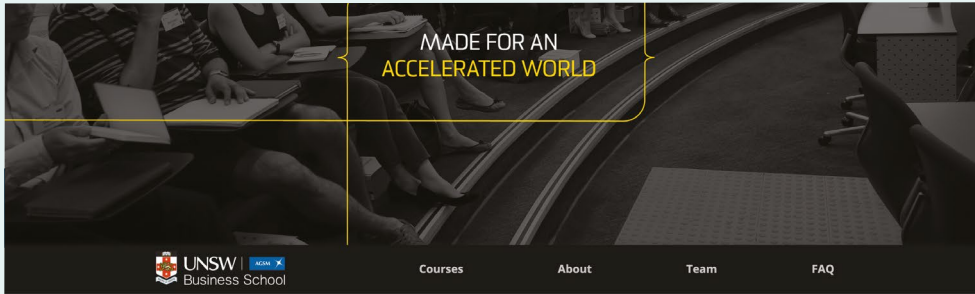
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Eva Freedman
Emerging Indigenous Executive Leaders Program (EIELP)



Katie Gust
Advanced Management for Executive Assistants Program



Independent auditor's report

HALL CHADWICK  (NSW)

OPENLEARNING LIMITED
ABN 18 635 890 390
AND CONTROLLED ENTITIES
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
OPENLEARNING LIMITED

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

Report on the Financial Report

Opinion

We have audited the financial report of OpenLearning Limited (the company) and its controlled entities (the group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the group is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the group's financial position as at 31 December 2019 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the group incurred a net loss after tax of \$7,719,951 and operating cash outflows of \$3,874,122 for the year ended 31 December 2019. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 31 December 2019. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p>Accounting for Corporate Reorganisation <i>Refer to Note 19 Share capital</i></p>	
<p>Pursuant to the group share exchange agreement as disclosed in Note 19 to the financial statements, OLG Australia Investors Pte Ltd shareholders and Openlearning Global Pte Ltd minority shareholders sold and transferred all their respective shares in OLG Australia Investors Pte Ltd and Openlearning Global Pte Ltd to the company in exchange for the company allotting new shares to these shareholders.</p> <p>The accounting for the corporate restructure of the group was considered a key audit matter given its material effect on the group and the complexity of the transaction which occurred to give effect to the restructure.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the substance and legal form of the restructure transaction by reviewing the underlying legal documents; • Assessed and evaluated management's accounting treatment pertaining to the restructure transaction in accordance with applicable accounting standards; • Reviewed the appropriateness of the restructure journals recorded at the restructure date; and • Assessed the adequacy of the related disclosures in the financial report.

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Share-based payment transactions

Refer to Note 2 Critical accounting judgements and estimates, Note 19 Share capital and Note 20 Reserves

During the year ended 31 December 2019, the group undertook various share-based payment arrangements in relation to the settlement of supplier and consultant expenses through the issue of ordinary shares, options and performance rights.

The accounting for share-based payments was a key audit matter because the expense incorporates an element of judgement in relation to the determination of fair value, particularly in relation to the options and performance rights. The group valued the options and performance rights, using an option pricing model, where inputs such as volatility, dividend yield and risk-free rate require judgement.

Our procedures included, amongst others:

- We obtained and confirmed a reconciliation of shares and options on issue during the year, and assessed whether new shares, options and rights issued trigger the requirement of AASB 2: Share-based payment;
- We reviewed the share-based payment amount recognised during the year against the terms and conditions of the underlying arrangement;
- We reviewed the estimated fair value of options and performance rights using an option pricing model, including assessing the reasonableness of key inputs used in the model;
- Where applicable, we verified the fair value of the services received to supplier invoices; and
- We assessed the adequacy of the group's disclosures in relation to the share-based payment transactions.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the group's annual report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2019.

In our opinion, the Remuneration Report of OpenLearning Limited for the year ended 31 December 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner
Dated: 27 March 2020

Shareholder information

The shareholder information set out below was applicable as at 23 March 2020.

A. Distribution of Equity Securities - Ordinary Shares

Analysis of numbers of equity security holders by size of holding:

SPREAD OF HOLDINGS	NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUED CAPITAL
1 – 1,000	13	1,165	0.00%
1,001 – 5,000	189	647,545	0.46%
5,001 – 10,000	212	1,854,354	1.33%
10,001 – 100,000	593	22,596,949	16.18%
100,001 and over	150	114,566,628	82.03%
TOTAL	1,157	139,666,641	100.00%

Based on the price per security, number of holders with an unmarketable holding: 53, with total 78,207, amounting to 0.06% of Issued Capital.

B. Distribution of Equity Securities - Share Options

Analysis of numbers of option holders by size of holding:

SPREAD OF HOLDINGS	NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUED CAPITAL
1 – 1,000	–	–	–
1,001 – 5,000	–	–	–
5,001 – 10,000	–	–	–
10,001 – 100,000	25	1,718,374	4.45%
100,001 and over	49	36,908,266	95.55%
TOTAL	74	38,626,640	100.00%

C. Distribution of Equity Securities - Performance Rights

Analysis of numbers of Performance Rights holders by size of holding:

SPREAD OF HOLDINGS	NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUED CAPITAL
1 – 1,000	–	–	–
1,001 – 5,000	–	–	–
5,001 – 10,000	–	–	–
10,001 – 100,000	–	–	–
100,001 and over	2	2,750,000	100.00%
TOTAL	2	2,750,000	100.00%

Shareholder information

Continued

D. Equity Security Holders - Ordinary Shares

Twenty largest quoted equity security holders. The names of the twenty largest holders of quoted equity securities are listed below:

NAME	ORDINARY SHARES NUMBER HELD	% OF ISSUED SHARES
MAGNA INTELLIGENT SDN BHD	10,580,058	7.58%
PRESTARIANG CAPITAL SDN BHD	9,608,749	6.88%
CLIVE MAYHEW	8,288,754	5.93%
MR ADAM MAURICE BRIMO	6,406,117	4.59%
RICHARD BUCKLAND	5,094,288	3.65%
AUSTRALIAN CATHOLIC UNIVERSITY LIMITED	5,000,000	3.58%
NATIONAL NOMINEES LIMITED	4,457,581	3.19%
NARRON PTY LTD <YANDLE SUPER FUND A/C>	3,981,809	2.85%
MR DAVID ANDREW COLLIEN	3,556,743	2.55%
NICOLETTE HARPER	2,720,758	1.95%
FRANK NOEL BEAUMONT	2,367,021	1.69%
SARGON CT PTY LTD <CYAN C3G FUND>	2,167,865	1.55%
AUTHENTICS AUSTRALIA PTY LTD<AUTHENTICS AUSTRALIA A/C>	1,666,666	1.19%
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LTD <REGAL EMERGING CO FUND III>	1,666,666	1.19%
CITICORP NOMINEES PTY LIMITED	1,616,394	1.16%
SANDTON CAPITAL PTY LTD <SANDTON FAMILY A/C>	1,483,333	1.06%
MR NICK THEODORAKOPOULOS	1,250,000	0.90%
ORIENT GLOBAL HOLDINGS PTY LTD <ALNALL A/C>	1,250,000	0.90%
PROVECHO PARTNERS PTY LTD	1,183,509	0.85%
RODERICK DE ABOITIZ	1,170,336	0.84%
BANNEN LIMITED	1,156,940	0.83%

As at 23 March 2020, the 20 largest shareholders held ordinary shares representing 55.72% of the issued share capital.

Substantial Shareholders

Substantial holders in the Company are set out below:

NAME	ORDINARY SHARES NUMBER HELD	% OF ISSUED SHARES
Magna Intelligent Sdn Bhd	11,030,058	7.90%
Prestariang Capital Sdn Bhd	9,608,749	6.88%
Clive Mayhew	8,288,754	5.93%

Partly Paid Shares

The Company does not have any partly paid shares on issue.

Voting Rights

The voting rights attached to ordinary shares are set out below:

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

On-market buy-back

The Company is not currently conducting an on-market buy-back.

Corporate Directory

Directors

Kevin Barry, Non-Executive Chairman

Adam Brimo, Managing Director and Group CEO

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

Registered Office

Level 2, 235 Commonwealth Street

Surry Hills NSW 2010

Auditors

Hall Chadwick

Level 40, 2 Park Street

Sydney NSW 2000

Share Registrar

Automic Pty Ltd

Level 5, 126 Phillip Street

Sydney NSW 2000

Stock Exchange Listing

Australian Securities Exchange

Code: OLL



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