

ASX Announcement | 1st June 2020

OpenLearning and Australian Catholic University extend partnership by signing platform agreement to deliver online education

Highlights

- OpenLearning has expanded its partnership with Australian Catholic University ('ACU') by signing a 3-year platform software as a service (SaaS) agreement
- ACU will use OpenLearning's platform to deliver short courses, micro-credentials and internal professional development programs for its employees
- The agreement builds on an existing partnership formed when ACU made a A\$1 million cornerstone investment in OpenLearning's Initial Public Offering ('IPO') in 2019
- ACU has over 35,000 students across its nine campuses and is expanding its online offering with a particular focus on health and education, two rapidly growing sectors in Australia
- In response to COVID-19, ACU moved the majority of its classes fully online in March and plans to have students gradually return to its campuses as restrictions are eased nationwide

Sydney, Australia, 1st June 2020: Higher education software as a service company OpenLearning Limited (ASX: OLL) ('**OpenLearning**' or '**the Company**') is pleased to announce that it has expanded its partnership with Australian Catholic University by signing a 3-year usage-based platform agreement. ACU has been a strategic investor in OpenLearning since the Company's IPO in December 2019.

Expansion of partnership

ACU plans to utilise OpenLearning's platform for the delivery of short courses, micro-credentials and internal professional development programs, initially focusing on the health and education sectors. In addition, ACU will be able to engage the Company's learning services division at its prevailing rates to enhance its online courses and support its internal team to build their learning design capability.

The agreement builds on an existing partnership formed when ACU became a cornerstone investor in the Company's IPO with an A\$1 million investment [ASX Announcement: 12 December 2020].

ACU chose to invest in the OpenLearning's IPO due to the Company's alignment with ACU's 2020-2023 Strategic Plan, which has a focus on; innovation, student-centred education and research-informed learning. It was ACU's first strategic investment in an IPO and its first direct investment in a technology company for many years.

ACU is one of the fastest-growing universities in Australia and is ranked in the top 2 per cent of all universities worldwide. It has 35,000 students across its eight campuses in Australia and campus in Rome, Italy. ACU is offering online courses under the Government's Higher Education Relief Package.

Key terms of the agreement

The terms of the agreement with ACU are customary for platform agreements entered into with large universities (a summary of which was included in section 10.3.1 of the Company's IPO prospectus, released to the ASX announcements platform on 10 December 2019).

The fees are charged on the basis of the number of unique learners and materially in line with the SaaS pricing structure disclosed in section 6.4.1 of the Company's IPO prospectus. Fees will be renegotiated if the number of unique learners exceeds the upper limit of 20,000 during the term of the agreement.

OpenLearning ideally-placed to benefit from shift to online education

In response to COVID-19, ACU moved the majority of its classes fully online in March and plans to have students gradually return to its campuses as restrictions are eased nationwide. A similar shift to online has been taking place globally and it is expected that the virus will lead to long-lasting changes in delivery of education worldwide, including greater attention from consumers on the quality of online learning delivered by universities.

Since the Company's IPO, OpenLearning has continued to demonstrate strong growth across all key metrics, with a 124% year on year increase in B2B SaaS clients and an 80% year on year increase in annualised recurring revenue in the quarter ending 31st March 2020. The Company also recorded its largest-ever quarterly increase in usage, adding 430k users and 488k enrolments in Q1 FY 2020 to reach 2.165m registered users and 3.028m total enrolments [ASX Announcement: 30 April 2020].

OpenLearning Group CEO & Managing Director Adam Brimo said:

"We are very excited to expand our partnership with ACU through this agreement, which will create significant value for both ACU and OpenLearning by enabling the cost-effective delivery of short courses and micro-credentials in line with ACU's educational values. Like many universities, ACU has had to quickly adapt to a post-COVID-19 world in which education must be completely delivered online without sacrificing outcomes. We look forward to continuing our partnership with ACU and other leading universities worldwide."

Australian Catholic University Provost (acting) and Deputy Vice-Chancellor (Education and Innovation) Professor Zlatko Skrbis said:

"I could not have predicted how quickly this investment would come into its own, with the impact of the COVID-19 epidemic hastening the need to transfer more services online and for them to perform seamlessly.

"OpenLearning will be a valuable addition to ACU's ability to deliver high quality courses in a continually transforming digital environment and supporting our innovation agenda.

"I am looking forward to this promising partnership which will enable nimbleness and improve our reach into an ever-expanding market of short courses and micro-credentials."

Authorised by:

Adam Brimo

Group CEO & Managing Director

Ends.

Stay up to date with OpenLearning news as it happens:

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

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

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

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

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

With more than 2.17 million learners worldwide across over 8,000 courses provided by 76 education providers, OpenLearning is at the forefront of a new wave of online education delivery.

To learn more, please visit: <https://solutions.openlearning.com/>

About Australian Catholic University

ACU is a young university and one of the fastest growing in Australia. It is ranked in the top 2 per cent of all universities worldwide¹, the top 40 Generation Y universities worldwide² and in the top 10 Catholic universities³. It has eight campuses around Australia, and a campus in Rome, Italy, with its newest campus in Blacktown, Western Sydney to open in 2021.

The university's students and staff are at the centre of a vibrant global network of scholars, partnerships and opportunities. All ACU courses offer work placements, internships with leading companies, or volunteering opportunities.

By fostering and advancing knowledge in education, health, commerce, the humanities, the sciences and technologies, law, and the creative arts, ACU is closely integrated into its communities and industries, working with them to answer the big questions, and to create tangible results. Its research programs tackle enduring and pressing issues in society, in Australia, and around the world.

To learn more, please visit: <https://www.acu.edu.au/>