

ASX Announcement | 13 July 2020

OpenLearning signs agreements with Open Universities Australia and DeakinCo.; launches fund to accelerate adoption of OpenCreds

Highlights

- OpenLearning has signed agreements with Open Universities Australia (OUA), Australia's largest online higher education marketplace with 21 university partners
- Under the agreements, OUA will utilise OpenLearning's platform to deliver micro-credentials from Australian universities, which will be promoted through the OUA marketplace
- OpenLearning will receive a fixed usage-based SaaS fee for each enrolment on the platform or a percentage of enrolment fees for courses jointly developed under the agreements
- OpenLearning has launched OpenCreds, Australia's first cross-sector micro-credential framework designed to meet the needs of the education sector, industry and lifelong learners
- OpenLearning and OUA have established the Open Microcredential Development Grant (OMDG) to support the creation of 30 OpenCreds courses from Australian universities
- OpenLearning has also launched the OpenCreds Investment Fund (OIF) to support the creation of another 35 OpenCreds with private education providers and industry associations
- OpenLearning has signed a platform agreement with DeakinCo., a division of Deakin University and a leader in digital credentialing, workplace capability and transformation

Sydney, Australia, 13 July 2020: Higher education software as a service (SaaS) company OpenLearning Limited (ASX: OLL) (**'OpenLearning'** or **'the Company'**) is pleased to announce that it has signed multiple agreements with Open Universities Australia (OUA) and has launched the OpenCreds micro-credential framework, along with multiple initiatives to accelerate the creation of OpenCreds from universities, private education providers and industry associations.

Wide-ranging agreements signed with OUA

OpenLearning and OUA have signed three agreements, including a Memorandum of Understanding, a Platform SaaS and Course Distribution Agreement, and a Services Agreement, which set out three key initiatives that are designed to provide universities with a low risk entry into the micro-credential market by leveraging OUA's established marketplace and OpenLearning's platform and services.

Firstly, OUA will have a white-labelled portal on OpenLearning's platform, which will provide universities with a fully-managed solution for delivering courses. Secondly, OUA and OpenLearning have established the Open Microcredential Development Grant (OMDG) to support the creation of courses aligned to the OpenCreds framework. Lastly, OUA will list both the suite of micro-credentials developed through the grant, as well as selected micro-credentials from OpenLearning's university partners and OUA's own partners, through the OUA marketplace.

OUA is Australia's largest online higher education marketplace and partners with leading universities across Australia, including OpenLearning strategic investor Australian Catholic University, as well as Australian National University, University of South Australia, Curtin University, and Macquarie

For personal use only

University amongst others. OUA was established in 1993 and has since enrolled over 440,000 students. It currently offers over 400 degrees and more than 2,000 subjects from 21 universities.

To accelerate the growth of the marketplace, OpenLearning and OUA will jointly fund the setup and learning design costs of up to 30 OpenCreds through the creation of the OMDG with \$750k of value, including a \$450k in-kind contribution from the Company for learning design. The OMDG is administered by OUA within their existing Rapid Development Fund and is now open for applications from all of the universities in Australia, with the first round closing on 13 August 2020. OpenLearning and OUA will jointly promote the grant program to their respective university partners with the aim of growing the number of courses.

Open Universities Australia CEO Stuart Elmslie said: “Over the past three years our Rapid Development Fund has been incredibly successful and well received by universities in supporting the development of their online offering. We are thrilled to be able to extend this opportunity by working with OpenLearning to help bring microcredentials to our already established marketplace. Microcredentials will be a strong complement to the 2,000 individual units of study we already provide access to today, and the design of the Open Microcredential Development Grant will support Australian universities to develop and distribute them nationally. Our aim is to help Australians access targeted education with a focus on job readiness for the future.”

The Company will receive a fixed usage-based SaaS fee for each enrolment in a course delivered via OUA’s integrated OpenLearning platform, or in the event that a course developed with support from the OMDG, a percentage of enrolment fees. OUA would receive a marketing and distribution fee on a success basis for promoting selected courses from OpenLearning’s partners. Additionally, OpenLearning will provide support to OUA’s team to integrate its platform into the OUA marketplace to ensure a seamless user experience.

The contract value cannot be specified at this stage as it is based on a number of learners and the fees paid by those learners, which cannot currently be specifically assessed. The agreements have an initial term of 3 years and there are no minimum fees payable under the agreements.

Besides what is outlined above, all other terms of the agreements with OUA 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).

Launch of the OpenCreds Framework

The Company has finalised the OpenCreds micro-credential framework after an extensive consultation process involving 350 people across the sector and four virtual roundtables. The framework is now available for Australian education providers to use exclusively via the OpenLearning platform.

The nature of work is changing, as is the frequency with which learners will need to upskill and reskill, which is driving demand for online education around the world and challenging the traditional business models of education providers.

OpenCreds enables education providers to adapt and capture this opportunity by providing a common structure for the delivery of micro-credentials across higher education, vocational education and

For personal use only

industry; making it possible for them to offer short and stackable courses ranging from 2.5 hours to 150 hours of learning that lead to credit in a formal qualification, are recognised by industry and with a high-quality learning experience. It is expected that education providers would charge learners fees to enrol in OpenCredits, thereby enabling them to generate new revenue.

The Company believes that OpenCredits has the potential to become an industry standard for the delivery of micro-credentials in Australia and views it as a key differentiator, enabling it to further grow the number of education providers that utilise its platform. A number of the Company's existing partners have already commenced developing OpenCredits.

Australian Catholic University (ACU) Provost (acting) and Deputy Vice-Chancellor (Education and Innovation) Prof Zlatko Skrbis, said: "ACU has a long tradition of creating opportunity through education and fostering a culture of lifelong learning. OpenLearning's latest innovation, the OpenCredits micro-credential framework, has the potential to dramatically increase access to quality, industry-relevant lifelong learning while providing a pathway to formal qualifications. We look forward to applying the OpenCredits framework at ACU for the benefit of lifelong learners everywhere."

Launch of the OpenCredits Investment Fund

In line with the cross-sector approach of OpenCredits, the Company is pleased to launch the OpenCredits Investment Fund (OIF) to support education providers to move their training programs online by utilising OpenLearning's platform and the OpenCredits framework.

The OIF would fund the setup and learning design costs for 35 OpenCredits, representing an investment of \$350k from the Company, half of which would be in-kind. In exchange for the investment, the Company would receive a significant share of the revenue generated from fees paid by students to enrol in the courses and would actively assist the education providers in both selecting in-demand subjects and marketing those subjects to generate revenue for both the provider and OpenLearning.

The OIF would accept applications from private higher education providers, registered training organisations, industry associations and professional bodies. Applications for the fund are now open and the Company expects to fully deploy the fund over the next 12 months.

To further support industry and working professionals, the Company has become a member of the Australian Chamber of Commerce and Industry and is aiming to work closely with its members as they shift their training online.

Platform agreement with DeakinCo.

The Company is pleased to report that it has signed a platform agreement with DeakinCo., part of Deakin University and a global leader in micro-credentials, focusing on workforce capabilities. DeakinCo. also provided valuable input throughout the OpenCredits consultation process and is an early adopter of OpenCredits with a range of courses under development.

DeakinCo. CEO, Glenn Campbell, said: "Never before has lifelong learning been so critical to thriving in today's workplace. At DeakinCo. we have a long history of working with industry and individuals to deliver learning that enhances workplace performance and future employability, and is aligned to both Australian qualification frameworks and industry standards. We see OpenCredits as an important

foundation for the future of online learning and we are delighted to be offering our programs through the OpenLearning platform.”

The agreement with DeakinCo. has an initial term of 1.5 years and is seen as strategically important to the Company, however, the minimum fees payable under the agreement are not currently material.

OpenLearning Group CEO & Managing Director Adam Brimo said: “Today’s announcements are transformative for OpenLearning. We’re excited to work with OUA to provide a delivery platform for micro-credentials and to support Australian universities through the jointly funded Open Microcredential Development Grant. These initiatives are likely to expand our reach across Australian universities and increase adoption of OpenCreds, which we aim to become the industry standard for micro-credentials in Australia. We’re also pleased to welcome DeakinCo. to the OpenLearning platform and to launch the OpenCreds Investment Fund, which will spur development of OpenCreds across the sector. With these initiatives and relationships, OpenLearning is ideally placed to benefit from the shift towards online education and the need for people to upskill or reskill.”

The Company will update the market if revenue generated as a result of the agreements and initiatives included in this announcement reach material levels.

Authorised by:

Adam Brimo

Group CEO & Managing Director

Ends.

For personal use only

Stay up to date with OpenLearning news as it happens:

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

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

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

For further information, please contact:

Company

Justyn Stedwell

Company Secretary

P: +61 3 8395 5446

E: investors@openlearning.com

Media & Investor Enquiries

Julia Maguire

The Capital Network

P: +61 02 8999 3699

E: julia@thecapitalnetwork.com.au

About OpenLearning

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

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

With more than 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/>

For personal use only