

OpenLearning Limited and Controlled Entities

ABN 18 635 890 390

Half-Year Report and Appendix 4D
30 June 2021

Results for announcement to the market

Results for the half-year ended 30 June 2021 ('HY2021'):

- gross sales of \$1,761,230, an increase of 16.6% year-on-year ('y-o-y');
- revenue of \$1,313,839, an increase of 30.4% y-o-y;
- loss after tax of \$3,037,234, an increase in loss of 37.0% y-o-y.

	HALF-YEAR ENDED	HALF-YEAR ENDED	
	30 JUNE 2021	30 JUNE 2020	INC/(DEC)
	\$	\$	%
Revenue from ordinary activities	1,313,839	1,007,318	30.4
Revenue comprises of the following			
Platform SaaS fees	726,095	516,700	40.5
Program delivery	408,985	–	100.0
Marketplace sales	474,196	572,941	(17.2)
Services sales	151,954	420,679	(63.9)
Gross sales	1,761,230	1,510,320	16.6
Less: Sharing of marketplace sales with course creators	(447,391)	(503,002)	(11.1)
Revenue	1,313,839	1,007,318	30.4
Loss for the period	(3,037,234)	(2,216,590)	37.0
Loss for the period attributable to members	(3,037,234)	(2,216,590)	37.0
Net tangible assets per share	\$0.02	\$0.03	

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Financial report

The financial report for the Group for the half-year ended 30 June 2021 is attached to this Appendix 4D statement.

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openlearning

Powering the future of education

OpenLearning Limited and Controlled Entities
Consolidated Half-Year Financial Report
30 June 2021

ABN 18 635 890 390

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Directors' Report

Your directors submit the financial report of OpenLearning Limited ('OLL' or the 'Company') and its controlled entities (the 'Group') for the half-year ended 30 June 2021.

Directors

The names of directors who held office during or since the end of the half-year:

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

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations and financial position

Results for the half-year ended 30 June 2021 ('HY2021'):

- gross sales of \$1,761,230, an increase of 16.6% year-on-year ('y-o-y');
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The Group's revenue growth accelerated in HY2021 as its market share increased in the Australia and Southeast Asian online lifelong learning market.

Strategy

OpenLearning offers a unique lifelong learning platform, encompassing short courses, micro-credentials and qualifications. OpenLearning is building its client base by empowering education providers to operate and enter the online lifelong learning market with a suite of products, including:

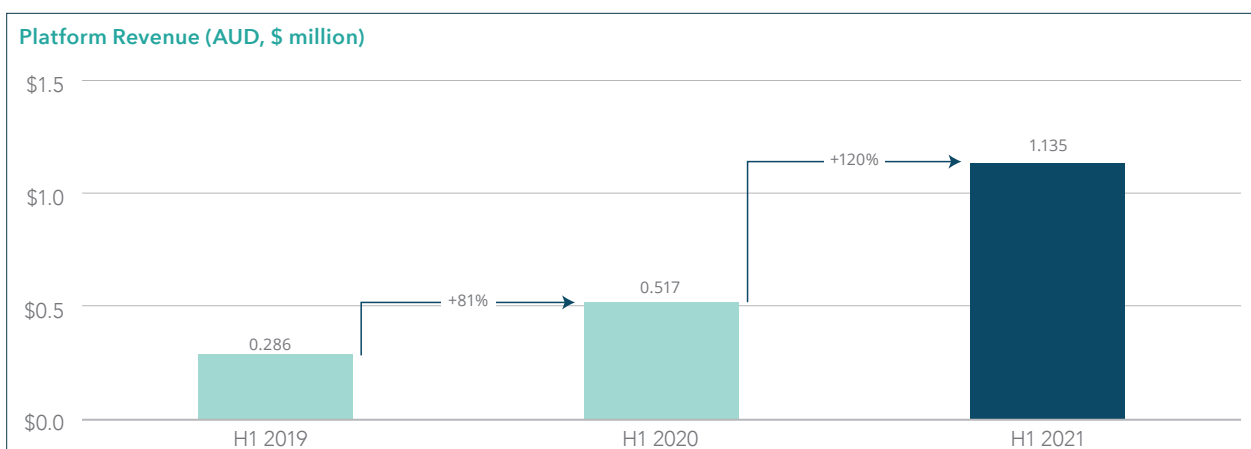
- Platform Subscription:** Providing an innovative learning platform and tools on a SaaS model to enable education providers to deliver courses online.
- Program Delivery:** Partnering with top institutions to deliver programs on the OpenLearning platform with capabilities across full spectrum of program delivery.
- Value-added services:** Providing a marketplace and learning design services to clients to drive network effects and accelerate platform adoption.

Directors' Report (Continued)

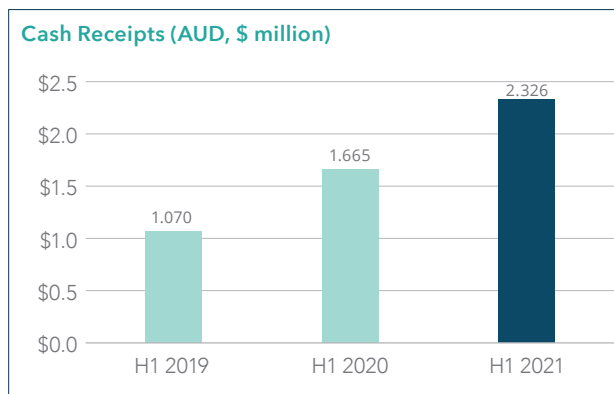
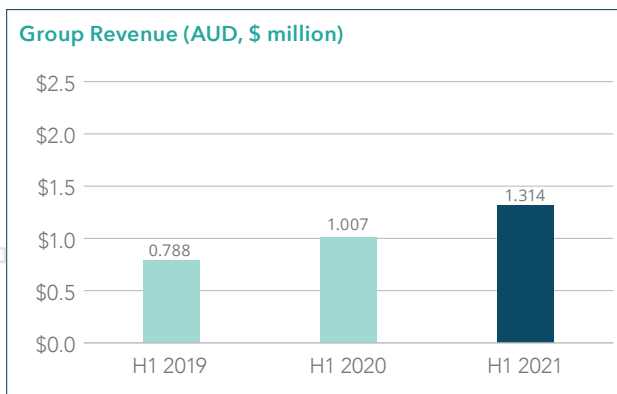
The Group is successfully capitalising on the accelerated shift towards online education through multi-year agreements with leading education providers. OpenLearning ended HY2021 with 184 Platform Subscription customers and a total of 2.93 million learners and 4.86 million enrolments in courses making it one of Australia and Southeast Asia's largest lifelong learning platforms.

Financial highlights for HY2021

The Company is focused on growing revenue from its Platform Subscription and Program Delivery product lines, together categorised as 'Platform Revenue'. With the introduction of the Program Delivery product line in HY2021, the Group has seen accelerating growth in Platform Revenue:



The Group's gross sales, which includes value-added services increased by 16.6% y-o-y to \$1,761,230 and after deducting revenue shared with education providers, revenue grew strongly by 30.4% y-o-y to \$1,313,839. The Group's cash receipts increased by 39.7% y-o-y to \$2,326,044, as a result of upfront payments from learners and SaaS customers.



Investment in platform and products

The Group is prioritising revenue growth and has continued to invest in its lifelong learning platform and the establishment of the Program Delivery segment, which began generating revenue in HY2021 and includes:

1. **UNSW Transition Program Online**, a four-month direct entry program for prospective international students delivered by OpenLearning in partnership with UNSW Global;
2. **OpenCreds**, a lifelong learning micro-credentialling framework designed to become an industry standard in Australia and Malaysia;
3. **Biomedical Education Skills and Training (BEST) Network**, which enables medical education to be delivered online with a library of 21,000 medical images from leading universities; and
4. **OpenLearning self-service SaaS**, which enables self-service payment and onboarding for education providers to utilise OpenLearning's lifelong learning platform.

Directors' Report (Continued)

To ensure the success of these initiatives, the Group expanded its team and increased its investment in sales and marketing in HY2021. The Group's main operating expenses by function and investments spent were:

	HALF-YEAR ENDED	HALF-YEAR ENDED
	30 JUNE 2021	30 JUNE 2020
	\$	\$
Operating expenses		
Sales and marketing	877,454	682,464
Platform design and development	857,398	571,240
Program and service delivery	892,550	531,212
Investing activities		
New programs	349,104	131,876
Total investment in growth initiatives	2,976,506	1,916,792

As a result of these investments, the Group's loss after tax for HY2021 increased by 37.0% y-o-y to \$3,037,234.

Despite the Group's losses, cash and cash equivalents remained healthy at \$5,743,782 as at 30 June 2021 being balance proceeds from a capital raising completed in November 2020.

Conclusion

The Group successfully executed against a number of key contracts during HY2021 thanks to the hard work and dedication of employees and the support of its partners. The directors are grateful for the support of the Company's shareholders and are ensuring that funds are invested prudently.

The directors are pleased to report that investments made in the preceding twelve months in the new Program Delivery segment have already generated revenue in excess of the initial investment and the development of a new computer science program (CS101) is underway. With both components of Platform Revenue increasing in HY2021, OpenLearning is well positioned to capture an increasing share of the online lifelong learning market.

Auditor's Independence Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 15 for the half-year ended 30 June 2021.

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



Kevin Barry
Chairman
Dated: 31 August 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 30 June 2021

	NOTE	HALF-YEAR ENDED 30 JUNE 2021 \$	HALF-YEAR ENDED 30 JUNE 2020 \$
Revenue	2	1,313,839	1,007,318
Other income	2	154,031	53,932
Items of expense	2		
Web-hosting and other direct costs		(759,375)	(211,553)
Employee benefits expense		(2,727,591)	(2,058,423)
Depreciation and amortisation		(135,604)	(137,102)
Promotional and advertising		(204,658)	(162,997)
Professional services		(391,122)	(398,624)
General and administrative costs		(301,313)	(323,192)
		(3,051,793)	(2,230,641)
Finance income		17,591	25,036
Finance expenses		(3,032)	(10,985)
Loss before tax		(3,037,234)	(2,216,590)
Income tax		-	-
Loss for the period		(3,037,234)	(2,216,590)
Other comprehensive income/(loss):			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(2,394)	(8,427)
Total comprehensive loss for the period		(3,039,628)	(2,225,017)
Loss for the period attributable to:			
Owners of the Company		(3,037,234)	(2,216,590)
Total comprehensive loss attributable to:			
Owners of the Company		(3,039,628)	(2,225,017)
Losses per share attributable to owners of the Company			
Basic losses per share (cents)	3	(1.85)	(1.59)
Diluted losses per share (cents)	3	(1.85)	(1.54)

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

Consolidated Statement of Financial Position

As at 30 June 2021

	NOTE	AS AT 30 JUNE 2021	AS AT 31 DECEMBER 2020
		\$	\$
ASSETS			
Current assets			
Trade and other receivables		195,601	373,406
Prepayments		249,748	279,718
Cash and cash equivalents		5,743,782	8,595,069
		6,189,131	9,248,193
Non-current assets			
Furniture, fittings and equipment		57,791	54,834
Intangible assets		862,999	531,891
Right-of-use assets		191,061	283,561
		1,111,851	870,286
Total assets		7,300,982	10,118,479
LIABILITIES			
Current liabilities			
Trade and other payables		886,903	958,211
Provisions		315,973	224,333
Lease liabilities		163,114	192,831
Deferred revenue		966,476	643,021
		2,332,466	2,018,396
Non-current liabilities			
Lease liabilities		36,995	128,934
		36,995	128,934
Total liabilities		2,369,461	2,147,330
Net assets		4,931,521	7,971,149
EQUITY			
Equity attributable to the owners of the Company			
Share capital	4	29,595,431	29,595,431
Accumulated losses		(28,074,939)	(25,037,705)
Reserves	5	3,411,029	3,413,423
Total equity		4,931,521	7,971,149

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

Consolidated Statement of Changes in Equity

For the half-year ended 30 June 2021

	SHARE CAPITAL (NOTE 4)	RESERVES (NOTE 5)	ACCUMULATED LOSSES	TOTAL
	\$	\$	\$	\$
Opening balance at 1 January 2021	29,595,431	3,413,423	(25,037,705)	7,971,149
Loss for the period	–	–	(3,037,234)	(3,037,234)
<i>Other comprehensive income/(loss)</i>				
Foreign currency translation, representing total other comprehensive income/(loss) for the period	–	(2,394)	–	(2,394)
Total comprehensive loss for the period	–	(2,394)	(3,037,234)	(3,039,628)
Closing balance at 30 June 2021	29,595,431	3,411,029	(28,074,939)	4,931,521
Opening balance at 1 January 2020	23,233,194	3,453,610	(19,413,440)	7,273,364
Loss for the period	–	–	(2,216,590)	(2,216,590)
<i>Other comprehensive income/(loss)</i>				
Foreign currency translation, representing total other comprehensive income/(loss) for the period	–	(8,427)	–	(8,427)
Total comprehensive loss for the period	–	(8,427)	(2,216,590)	(2,225,017)
Issuance of ordinary shares:				
– pursuant to exercise of share options	412,772	(79,439)	–	333,333
Closing balance at 30 June 2020	23,645,966	3,365,744	(21,630,030)	5,381,680

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

Consolidated Statement of Cash Flows

For the half-year ended 30 June 2021

	HALF-YEAR ENDED 30 JUNE 2021	HALF-YEAR ENDED 30 JUNE 2020
	\$	\$
Operating activities		
Receipts from customers	2,326,044	1,664,783
Payments to suppliers and employees	(4,883,870)	(3,605,893)
Proceeds from other income	154,031	53,932
Net cash flows used in operating activities	(2,403,795)	(1,887,178)
Investing activities		
Purchase of furniture, fittings and equipment	(7,439)	(8,265)
Addition to intangible assets	(349,104)	(131,876)
Net cash flows used in investing activities	(356,543)	(140,141)
Financing activities		
Repayment of lease liabilities	(88,689)	(101,682)
Proceeds from exercise of share options	–	333,333
Repayment of borrowing	–	(17,727)
Net cash flows generated from/(used in) financing activities	(88,689)	213,924
Net decrease in cash and cash equivalents	(2,849,027)	(1,813,395)
Effect of exchange rate changes on cash and cash equivalents	(2,260)	(4,535)
Cash and cash equivalents at beginning of the period	8,595,069	7,740,768
Cash and cash equivalents at end of the period	5,743,782	5,922,838

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

Notes to the Financial Statements

Half-Year Ended 30 June 2021

1. Summary of significant accounting policies

1.1 Basis of preparation

These general purpose interim financial statements for half-year reporting period ended 30 June 2021 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of OpenLearning Limited and its controlled entities (the 'Group'). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2020, together with any public announcements made during the following half-year.

Where required by AASBs, comparative figures have been adjusted to conform with changes in presentation for the current period.

These interim financial statements were authorised for issue on 31 August 2021.

1.2 Going concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realization and the settlement of liabilities in the ordinary course of business.

The Group incurred a net loss for the half-year of \$3,037,234 (HY2020: \$2,216,590) and net operating cash outflows of \$2,403,795 (HY2020: \$1,887,178). As at 30 June 2021, the Group had accumulated losses of \$28,074,939 (31 December 2020: \$25,037,705).

As at 30 June 2021, the Group has net current assets of \$3,856,665 (31 Dec 2020: \$7,229,797) and cash and cash equivalents of \$5,743,782 (31 Dec 2020: \$8,595,069).

The Group has prepared a cashflow forecast for the next 12 months that indicate risk that the Group may not meet all its payment obligations. However, the directors believe that it is appropriate for the financial statements to be prepared on a going concern basis after consideration of the following factors:

- Increasing traction in revenue growth of the Platform Subscription and Platform Delivery segments with increasing cash inflow from these segments;
- active management of the discretionary expenditure in line with funds availability;
- raising of additional working capital through the issuance of securities and/or other funding.

Accordingly, the directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements. In the event that the Group is unsuccessful in implementing the above stated objectives, a material uncertainty exists, that may cast significant doubt on the Group's ability as a going concern and its ability to recover assets, and discharge liabilities in the normal course of business and at the amount shown in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

1.3 Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new and amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

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Notes to the Financial Statements (Continued)

2. Income and Expenses

	30 JUNE 2021	30 JUNE 2020
	\$	\$
Loss before income tax from continuing operations includes the following revenue and expense items:		
Revenue		
Platform SaaS fees	726,095	516,700
Program delivery	408,985	–
Marketplace sales	26,805	69,939
Services sales	151,954	420,679
	1,313,839	1,007,318
Other Income		
Cash flow boost incentive from the government	100,000	50,000
Expenses		
Depreciation and amortisation		
– depreciation of furniture, fittings and equipment	8,777	7,783
– depreciation on right-of-use assets	83,241	89,091
– amortisation of intangible assets	43,586	40,228
Professional services		
– contractors	211,153	151,378

3. Loss per share

Both the basic and diluted losses per share have been calculated by dividing the loss for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

The reconciliation of the weighted average number of ordinary shares for the purposes of calculating the diluted losses per share is as follows:

	30 JUNE 2021	30 JUNE 2020
Weighted average number of ordinary shares for basic losses per share computation	164,024,967	139,794,846
Effects of dilution from:		
– share options issued to convertible note holders	–	3,822,271
– share options issued to advisors	–	366,065
Weighted average number of ordinary shares for diluted losses per share computation	164,024,967	143,983,182

The effects from the potential ordinary shares of the Company arising from the conversion of share-based payments for the current financial half-year ended 30 June 2021 is deemed anti-dilutive. Accordingly, the basic and diluted earnings per share for the current financial half-year are the same.

Notes to the Financial Statements (Continued)

4. Share capital

	30 JUNE 2021	31 DECEMBER 2020
	\$	\$
164,024,967 (31 December 2020: 164,024,967) fully paid ordinary shares	29,595,431	29,595,431

4.1 Movements in ordinary shares

	30 JUNE 2021		31 DECEMBER 2020	
	No. of Shares	\$	No. of Shares	\$
Issued and fully paid ordinary shares:				
At 1 January	164,024,967	32,195,761	139,666,641	25,477,155
Issuance of shares during the period:				
– public offering of shares	–	–	21,212,495	5,939,499
– exercise of share options	–	–	3,145,831	629,166
Fair value adjustment on shares issued	–	–	–	149,941
Balance at end of the period	164,024,967	32,195,761	164,024,967	32,195,761
Equity issuance costs				
At 1 January	–	(2,600,330)	–	(2,243,961)
Costs arising	–	–	–	(356,369)
Balance at end of the period	–	(2,600,330)	–	(2,600,330)
Balance at end of the period	164,024,967	29,595,431	164,024,967	29,595,431

4.2 Movements in unquoted options over ordinary shares

EXERCISE PERIOD	EXERCISE PRICE PER SHARE	NUMBER ON ISSUE AT 1 JANUARY 2021	EXERCISED/ EXPIRED/ CANCELLED	NUMBER ON ISSUE AT 30 JUNE 2021
On or before 9 December 2021*	\$0.20	27,687,476	–	27,687,476
On or before 9 December 2022*	\$0.20	2,793,333	–	2,793,333
On or before 9 December 2022*	\$0.30	5,000,000	–	5,000,000
Total unquoted options		35,480,809	–	35,480,809

* Exercise of the options is subject to escrow periods.

4.3 Performance rights

2,750,000 performance rights were granted on 9 December 2019 to two directors of the Company. Half of these performance rights have lapsed. The balance of the rights are exercisable to 1,375,000 ordinary shares in the Company provided an annualised recurring revenue milestone is met, are exercisable within 5 years following grant date and are subject to an escrow period.

950,000 performance rights were granted on 1 October 2020 to key management personnel of the Group. These performance rights are exercisable to 950,000 ordinary shares in the Company over 3 years with 1/3 vesting annually on the condition that the Company's volume weighted average share price over any 30 consecutive trading days is equal to or higher than 55 cents.

None of the above performance rights vested during the financial period.

Notes to the Financial Statements (Continued)

5. Reserves

	30 JUNE 2021	31 DECEMBER 2020
	\$	\$
Foreign currency translation reserve	(12,564)	(10,170)
Common control reserve	1,650,477	1,650,477
Share option reserve	1,773,116	1,773,116
	3,411,029	3,413,423

6. Operating segments

6.1 Segment revenue

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.

	PLATFORM SAAS		PROGRAM DELIVERY		SERVICES		MARKETPLACE		TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Geographical markets										
Australia	502,049	289,496	408,985	–	104,894	408,713	24,074	69,816	1,040,002	768,025
Malaysia	223,653	222,178	–	–	47,060	11,966	2,731	123	273,444	234,267
Singapore	393	5,026	–	–	–	–	–	–	393	5,026
	726,095	516,700	408,985	–	151,954	420,679	26,805	69,939	1,313,839	1,007,318
Timing of revenue recognition										
Products and services transferred to customers:										
At a point in time	–	–	–	–	–	–	26,805	69,939	26,805	69,939
Over time	726,095	516,700	408,985	–	151,954	420,679	–	–	1,287,034	937,379
	726,095	516,700	408,985	–	151,954	420,679	26,805	69,939	1,313,839	1,007,318

6.2 Segment performance and assets/liabilities

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 has in previous financial periods reported its operating segments on the basis of geographical locations i.e. Australia, Malaysia, Singapore and Corporate (based in Australia). The Group has now revised its reportable operating segments on the basis of revenue and cost originations, as follows:

- (a) Australia
- (b) South East Asia
- (c) Global Platform
- (d) Global Services
- (e) Corporate Overheads

Notes to the Financial Statements (Continued)

	AUSTRALIA	SOUTH EAST ASIA	GLOBAL PLATFORM	GLOBAL SERVICES	CORPORATE OVERHEADS	TOTAL
	\$	\$	\$	\$	\$	\$
Half-year ended 30 June 2021						
Revenue:						
External sales	927,115	273,837	112,887	–	–	1,313,839
Segment results:						
Segment profit/(loss)	(548,982)	(191,162)	112,887	(1,763,816)	(646,161)	(3,037,234)
Segment assets	4,377,024	529,864	–	–	2,394,094	7,300,982
Segment liabilities	1,837,766	397,751	–	–	133,944	2,369,461
Half-year ended 30 June 2020						
Revenue:						
External sales	722,799	239,293	45,226	–	–	1,007,318
Segment results:						
Segment profit/(loss)	(302,036)	(261,868)	45,226	(1,135,248)	(562,664)	(2,216,590)
Segment assets	1,040,903	711,357	–	–	5,473,229	7,225,489
Segment liabilities	1,335,866	454,766	–	–	53,177	1,843,809

7. Events after the reporting period

No events have arisen that would be likely to materially affect the operations of the Group, or the state of affairs of the Group not otherwise disclosed in the Group's financial report.

8. Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting period.

9. Seasonality of Operations

The Group's performance is generally not affected by seasonality with the exception of the program delivery revenue stream. Program delivery, which comprise the online program management business, is subject to seasonality as revenue is affected by commencement date of the foundation study courses as determined by the education partner.

10. Fair value measurements

The Group's financial instruments consist of cash and cash equivalents, trade and other receivables and trade and other payables. These financial instruments are measured at amortised cost, less any provision for non-recovery. The carrying amount of the financial assets and liabilities approximate their fair value

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*, including:
 - (a) complying with Australian Standard AASB 134: *Interim Financial Reporting*; and
 - (b) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the half-year ended on that date;
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.

On behalf of the Board of Directors



Kevin Barry
Chairman
Dated: 31 August 2021

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Auditor's Independence Declaration

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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
Ex: (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 partner for the review of the financial report of OpenLearning Limited for the half year ended 30 June 2021, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner
Dated: 31 August 2021

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Independent Auditor's Review Report

HALL CHADWICK  (NSW)

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

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
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Report on the Half Year Financial Report

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of OpenLearning Limited is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the half year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of Financial Report performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities section of our report. We are independent of the Company 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 (including Independence Standards) (the Code) that are relevant to our audit of annual 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 review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half-year financial report which indicates that the Group had incurred a net loss of \$3,037,234 and net operating cash outflow of \$2,403,795. These conditions, along with other matters as set forth in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half Year Financial Report

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

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Independent Auditor's Review Report

(Continued)

HALL CHADWICK  (NSW)

OPENLEARNING LIMITED
AND CONTROLLED ENTITIES

ABN 18 635 890 390

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
OPENLEARNING LIMITED

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 30 June 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND

Partner

Dated: 31 August 2021

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

Principal & 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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