



# OpenLearning Limited and Controlled Entities

ABN 18 635 890 390

Half-Year Report and Appendix 4D  
30 June 2022

Results for the half-year ended 30 June 2022 ('HY2022'):

- gross sales of \$1,963,438, an increase of 11.5% year-on-year ('y-o-y');
- revenue of \$1,642,713, an increase of 25.0% y-o-y; and
- loss after tax of \$3,145,813, an increase in loss of 3.6% y-o-y.

	HALF-YEAR ENDED 30 JUNE 2022	HALF-YEAR ENDED 30 JUNE 2021	INC/(DEC)
	\$	\$	%
Revenue from ordinary activities	1,642,713	1,313,839	25.0
Revenue comprises of the following:			
Platform SaaS fees	768,077	726,095	5.8
Program delivery	620,651	408,985	51.8
Marketplace sales	391,316	474,196	(17.5)
Services sales	183,394	151,954	20.7
Gross sales	1,963,438	1,761,230	11.5
Less: Sharing of marketplace sales with course creators	(320,725)	(447,391)	(32.8)
Revenue	1,642,713	1,313,839	25.0
Loss for the period	(3,145,813)	(3,037,234)	3.6
Loss for the period attributable to members	(3,145,813)	(3,037,234)	3.6
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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**Powering the future of education**

OpenLearning Limited and Controlled Entities  
Consolidated Half-Year Financial Report 2022

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# 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 half-year ended 30 June 2022.

## Directors

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

Spiro Pappas	– Non-Executive Chairman
Adam Brimo	– Managing Director and Group CEO
Benjamin Shields	– Non-Executive Director
John Merakovsky	– Non-Executive Director (appointed on 1 July 2022)

## 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 2022 ('HY2022'):

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- revenue of \$1,642,713, an increase of 25.0% y-o-y; and
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Less: Sharing of marketplace sales with course creators	(320,725)	(447,391)	(32.8)
<b>Revenue</b>	<b>1,642,713</b>	<b>1,313,839</b>	<b>25.0</b>
<b>Loss for the period</b>	<b>(3,145,813)</b>	<b>(3,037,234)</b>	<b>3.6</b>
<b>Loss for the period attributable to members</b>	<b>(3,145,813)</b>	<b>(3,037,234)</b>	<b>3.6</b>

# Directors' report (Continued)

## Strategy

The Group continued to grow revenue in its two main businesses, Platform SaaS and Program Delivery, in HY2022. During the period, the Company announced a strategic review with the purpose of examining its current businesses and exploring its options to maximise shareholder value.

At this stage of the strategic review, the Board of Directors expects that the Company will retain and grow its core Platform SaaS business with a focus on reducing costs and restructuring the Company to achieve break-even. The Board is currently assessing a number of opportunities that have arisen out of the process and it will keep shareholders informed in accordance with their continuous disclosure obligations.

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:

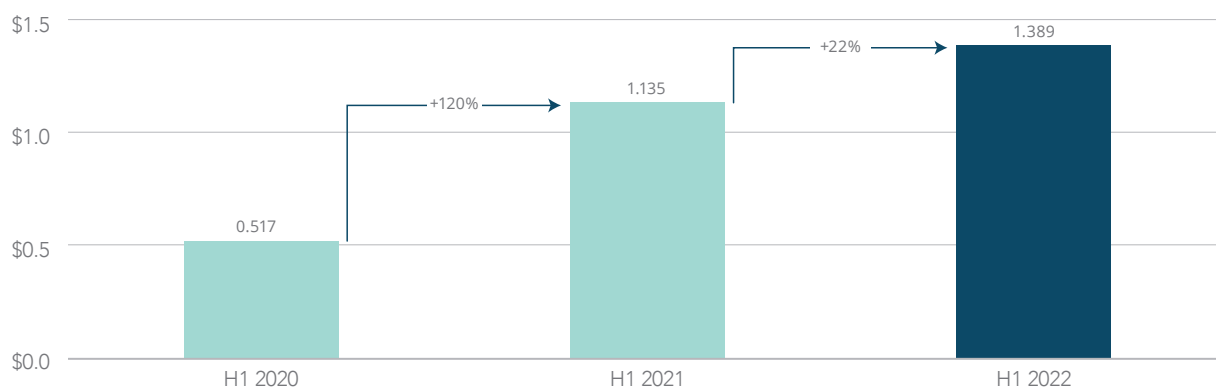
- **Platform Subscription:** Providing an innovative learning platform and tools on a SaaS model to enable education providers to deliver courses online.
- **Program Delivery:** Partnering with top institutions to deliver programs on the OpenLearning platform with capabilities across full spectrum of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

The Group is focused on enabling education providers to move online by leveraging its end-to-end platform and educational expertise. OpenLearning ended HY2022 with 244 Platform Subscription customers and a total of 3.267 million learners and 5.426 million enrolments in courses making it one of Australia and Southeast Asia's largest lifelong learning platforms.

## Financial highlights for HY2022

During H1 2022, 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 strong growth in Platform Revenue:

Platform Revenue (AUD, \$ million)

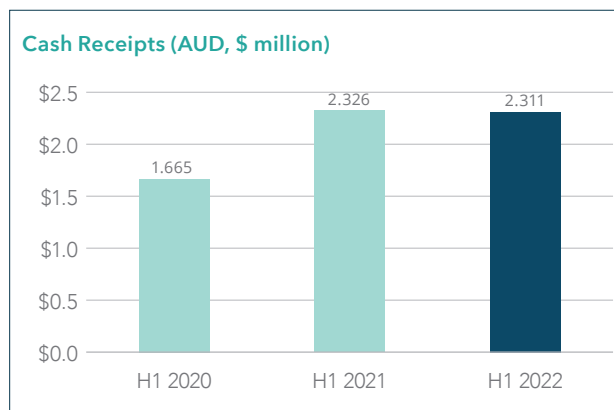
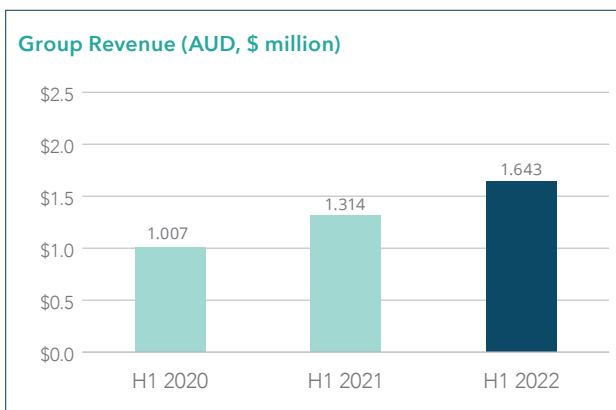


The Group's gross sales, which includes value-added services increased by 11.5% y-o-y to \$1,963,438 and after deducting revenue shared with education providers, revenue grew strongly by 25.0% y-o-y to \$1,642,713. The Group's cash receipts decreased by 0.6% y-o-y to \$2,310,961, as a result of upfront payments from learners and SaaS customers.

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# Directors' report (Continued)

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## Investment in platform and products

The Group has continued to invest in growing both its Platform SaaS and Program Delivery segments, as education providers are increasingly looking for an end-to-end solution for delivering short courses and micro-credentials.

Over the past year, Company has focused on simplifying its Platform SaaS pricing by removing lower-cost fixed price plans and requiring education providers to sign up to new usage-based plans that provide additional features to enable education providers to grow their enrolments and manage their courses.

The Company's pricing strategy has resulted in only the education providers who see substantial value in the platform moving into the usage-based SaaS plans. This transition weighed on Platform SaaS revenue growth in HY2022 however annualised recurring revenue growth resumed in Q2 FY22 and these changes have already delivered a simpler sales process, resulting in improved sales efficiency that is already supporting product-led growth and higher gross margins.

During HY2022, the Company changed its focus from revenue growth to reducing costs and increasing margins, this approach is likely to benefit the Company's bottom line from H2 2022 onwards and sales and marketing as well as platform design and development expenses have begun to decrease. Increased program and service delivery expenses were a result of more intakes from the UNSW TPO.

The Group's main operating expenses by function and investments spent were:

	HALF-YEAR ENDED 30 JUNE 2022	HALF-YEAR ENDED 30 JUNE 2021
	\$	\$
<b>Operating expenses</b>		
Sales and marketing	906,365	877,454
Platform design and development	607,937	857,398
Program and service delivery	1,511,307	892,550
<b>Investing activities</b>		
New programs	51,438	349,104
Platform development	330,364	–
<b>Total investment in growth initiatives</b>	<b>3,407,411</b>	<b>2,976,506</b>

As a result of these investments and initiatives, the Group's loss after tax for HY2022 increased by 3.6% y-o-y to \$3,145,813. The Group ended HY2022 with cash and cash equivalents of \$2,751,960 as at 30 June 2022.

# Directors' report (Continued)

## Cost reduction exercise and focus on reaching break-even

As previously announced on 27th May 2022, the Company has embarked on a cost optimisation exercise that will reduce costs by an estimated \$2.47 million on an annualised basis<sup>1</sup> by reducing cloud hosting costs, corporate overheads, sales and marketing costs, and restructuring its operations. The results of this exercise will appear in Q3 and Q4 FY22 as staff serve out their notice periods and operational efficiencies come into effect.

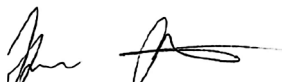
## Conclusion

The Group successfully executed against a number of key contracts during HY2022 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. With both components of Platform Revenue increasing in HY2022 and a strategic review underway, OpenLearning is well positioned to capitalise on the growth 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 17 for the half-year ended 30 June 2022.

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



Spiros Pappas  
Chairman

Dated: 31 August 2022

1. Based on the annualised difference between Q4 2021 actual and Q4 2022 estimated operating expenses and cost of sales associated with platform subscription.

# Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 30 June 2022

	NOTE	HALF-YEAR ENDED 30 JUNE 2022	HALF-YEAR ENDED 30 JUNE 2021
		\$	\$
Revenue	2	1,642,713	1,313,839
Other income	2	65,266	154,031
<b>Items of expense</b>	2		
Web-hosting and other direct costs		(608,671)	(759,375)
Employee benefits expense		(2,848,168)	(2,727,591)
Depreciation and amortisation		(186,961)	(135,604)
Promotional and advertising		(174,348)	(204,658)
Professional services		(644,743)	(391,122)
General and administrative costs		(389,985)	(301,313)
		(3,144,896)	(3,051,793)
Finance income		95	17,591
Finance expenses		(1,011)	(3,032)
<b>Loss before tax</b>		(3,145,813)	(3,037,234)
Income tax		–	–
<b>Loss for the period</b>		(3,145,813)	(3,037,234)
<b>Other comprehensive income/(loss):</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		(4,807)	(2,394)
<b>Total comprehensive loss for the period</b>		(3,150,620)	(3,039,628)
<b>Loss for the period attributable to:</b>			
Owners of the Company		(3,145,813)	(3,037,234)
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company		(3,150,620)	(3,039,628)
<b>Losses per share attributable to owners of the Company</b>			
Basic losses per share (cents)	3	(1.48)	(1.85)
Diluted losses per share (cents)	3	(1.48)	(1.85)

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



# Consolidated statement of financial position

As at 30 June 2022

	NOTE	AS AT 30 JUNE 2022	AS AT 31 DECEMBER 2021
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Trade and other receivables		320,228	316,154
Prepayments		148,076	297,509
Cash and cash equivalents		2,751,960	4,588,563
		3,220,264	5,202,226
<b>Non-current assets</b>			
Furniture, fittings and equipment		57,084	64,294
Intangible assets		1,430,410	1,145,666
Right-of-use assets		31,765	110,134
		1,519,259	1,320,094
<b>Total assets</b>		<b>4,739,523</b>	<b>6,522,320</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		678,530	1,061,200
Provisions		378,894	342,757
Lease liabilities		36,994	124,998
Deferred revenue		1,086,658	867,724
		2,181,076	2,396,679
<b>Non-current liabilities</b>			
Lease liabilities		-	-
		-	-
<b>Total liabilities</b>		<b>2,181,076</b>	<b>2,396,679</b>
<b>Net assets</b>		<b>2,558,447</b>	<b>4,125,641</b>
<b>EQUITY</b>			
Equity attributable to the owners of the Company			
Share capital	4	33,963,669	32,495,431
Accumulated losses		(33,562,215)	(30,444,116)
Reserves	5	2,156,993	2,074,326
<b>Total equity</b>		<b>2,558,447</b>	<b>4,125,641</b>

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 2022

	SHARE CAPITAL (NOTE 4)	RESERVES (NOTE 5)	ACCUMULATED LOSSES	TOTAL
	\$	\$	\$	\$
Opening balance at 1 January 2022	32,495,431	2,074,326	(30,444,116)	4,125,641
Loss for the period	–	–	(3,145,813)	(3,145,813)
<i>Other comprehensive income/(loss)</i>				
Foreign currency translation, representing total other comprehensive income/(loss) for the period	–	(4,807)	–	(4,807)
<b>Total comprehensive loss for the period</b>	–	(4,807)	(3,145,813)	(3,150,620)
Issuance of ordinary shares :				
– Share placements net of costs	1,468,238	–	–	1,468,238
Share-based payments	–	115,188	–	115,188
Forfeited performance rights	–	(27,714)	27,714	–
<b>Closing balance at 30 June 2022</b>	<b>33,963,669</b>	<b>2,156,993</b>	<b>(33,562,215)</b>	<b>2,558,447</b>
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)
<b>Total comprehensive loss for the period</b>	–	(2,394)	(3,037,234)	(3,039,628)
<b>Closing balance at 30 June 2021</b>	<b>29,595,431</b>	<b>3,411,029</b>	<b>(28,074,939)</b>	<b>4,931,521</b>

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 2022

	HALF-YEAR ENDED 30 JUNE 2022	HALF-YEAR ENDED 30 JUNE 2021
	\$	\$
<b>Operating activities</b>		
Receipts from customers	2,310,961	2,326,044
Payments to suppliers and employees	(5,349,857)	(4,883,870)
Proceeds from other income	54,086	154,031
<b>Net cash flows used in operating activities</b>	<b>(2,984,810)</b>	<b>(2,403,795)</b>
<b>Investing activities</b>		
Purchase of furniture, fittings and equipment	(3,727)	(7,439)
Addition to intangible assets	(381,802)	(349,104)
<b>Net cash flows used in investing activities</b>	<b>(385,529)</b>	<b>(356,543)</b>
<b>Financing activities</b>		
Repayment of lease liabilities	(46,696)	(88,689)
Proceeds from share placements	1,583,427	–
<b>Net cash flows generated from/(used in) financing activities</b>	<b>1,536,731</b>	<b>(88,689)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,833,608)</b>	<b>(2,849,027)</b>
Effect of exchange rate changes on cash and cash equivalents	(2,995)	(2,260)
Cash and cash equivalents at beginning of the period	4,588,563	8,595,069
<b>Cash and cash equivalents at end of the period</b>	<b>2,751,960</b>	<b>5,743,782</b>

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

# Notes to the financial statements

Half-year ended 30 June 2022

## 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 2022 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 2021, 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 30 August 2022.

### 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 realisation and settlement of liabilities in the ordinary course of business.

The Group incurred a net loss for the half-year of \$3,145,813 (HY2021: \$3,037,234) and net operating cash outflows of \$2,984,810 (HY2021: \$2,403,795). As at 30 June 2022, the Group had accumulated losses of \$33,566,215 (31 Dec 2021: \$30,444,116).

As at 30 June 2022, the Group has net current assets of \$1,039,188 (31 Dec 2021: \$2,805,547) and cash and cash equivalents of \$2,751,960 (31 Dec 2021: \$4,588,563).

The Group has prepared a cashflow forecast for the next 12 months which indicates a 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:

- improved gross margins of the Platform Subscription segment with increasing revenue growth and cash inflows;
- active management of the discretionary expenditure in line with funds availability; and
- 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.

# Notes to the financial statements (Continued)

## 2. Income and Expenses

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Loss before income tax from continuing operations includes the following revenue and expense items:		
<b>Revenue</b>		
Platform SaaS fees	768,077	726,095
Program delivery	620,651	408,985
Marketplace sales	70,591	26,805
Services sales	183,394	151,954
	<b>1,642,713</b>	<b>1,313,839</b>
<b>Other Income</b>		
Cash flow boost incentive from the government	–	100,000
Grant from the government	50,306	–
<b>Expenses</b>		
Depreciation and amortisation		
– depreciation of furniture, fittings and equipment	10,966	8,777
– depreciation on right-of-use assets	78,064	83,241
– amortisation of intangible assets	64,490	43,586
Professional services		
– contractors	293,894	211,153

## 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 2022	30 JUNE 2021
Weighted average number of ordinary shares for basic losses per share computation	212,419,849	164,024,967
Effects of dilution from:		
– share options issued to convertible note holders	–	–
– share options issued to advisors	–	–
Weighted average number of ordinary shares for diluted losses per share computation	212,419,849	164,024,967

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 2022 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 2022	31 DECEMBER 2021
	\$	\$
214,384,399 (31 Dec 2021: 197,358,300) fully paid ordinary shares	33,963,669	32,495,431

### 4.1 Movements in ordinary shares

	30 JUNE 2022		31 DECEMBER 2021	
	NO. OF SHARES	\$	NO. OF SHARES	\$
<b>Issued and fully paid ordinary shares:</b>				
At 1 January	197,358,300	35,295,761	164,024,967	32,195,761
Issuance of shares during the period:				
– placement of shares	–	–	33,333,333	3,100,000
– placement of shares	17,026,099	1,583,427	–	–
<b>Balance at end of the period</b>	<b>214,384,399</b>	<b>36,879,188</b>	<b>197,358,300</b>	<b>35,295,761</b>
<b>Equity issuance costs</b>				
At 1 January	–	(2,800,330)	–	(2,600,330)
Costs arising from equity issuance	–	(115,189)	–	(200,000)
<b>Balance at end of the period</b>	<b>–</b>	<b>(2,915,519)</b>	<b>–</b>	<b>(2,800,330)</b>
<b>Balance at end of the period</b>	<b>214,384,399</b>	<b>33,963,669</b>	<b>197,358,300</b>	<b>32,495,431</b>

### 4.2 Movements in unquoted options over ordinary shares

EXERCISE PERIOD	EXERCISE PRICE PER SHARE	NUMBER ON ISSUE AT 1 JANUARY 2022	GRANTED	NUMBER ON ISSUE AT 30 JUNE 2022
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
On or before 31 August 2024	\$0.30	250,000	–	250,000
On or before 27 April 2025	\$0.30	1,000,000	–	1,000,000
On or before 30 September 2022	\$0.09	–	6,422,908	6,422,908
<b>Total unquoted options</b>		<b>9,043,333</b>	<b>6,422,908</b>	<b>15,466,241</b>

\* Exercise of the options is subject to escrow periods.

# Notes to the financial statements (Continued)

## 4.3 Performance rights

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.

200,000 of these performance rights have lapsed upon the leaving of a key management personnel of the Group.

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

## 5. Reserves

	30 JUNE 2022	31 DECEMBER 2021
	\$	\$
Foreign currency translation reserve	(35,774)	(30,967)
Common control reserve	1,650,477	1,650,477
Share option reserve	542,290	454,816
	<b>2,156,993</b>	<b>2,074,326</b>

## 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		HALF-YEARS ENDED 30 JUNE				TOTAL	
	2022	2021	2022	2021	SERVICES		MARKETPLACE		2022	2021
	\$	\$	\$	\$	2022	2021	2022	2021	\$	\$
<b>Geographical markets</b>										
Australia	546,472	502,049	620,651	408,985	136,881	104,894	64,602	24,074	1,368,606	1,040,002
Malaysia	220,040	223,653	–	–	46,513	47,060	2,660	2,731	269,213	273,444
Singapore	1,565	393	–	–	–	–	3,329	–	4,894	393
	<b>768,077</b>	<b>726,095</b>	<b>620,651</b>	<b>408,985</b>	<b>183,394</b>	<b>151,954</b>	<b>70,591</b>	<b>26,805</b>	<b>1,642,713</b>	<b>1,313,839</b>
<b>Timing of revenue recognition</b>										
Products and services transferred to customers:										
At a point in time	–	–	–	–	–	–	70,591	26,805	70,591	26,805
Over time	768,077	726,095	620,651	408,985	183,394	151,954	–	–	1,572,122	1,287,034
	<b>768,077</b>	<b>726,095</b>	<b>620,651</b>	<b>408,985</b>	<b>183,394</b>	<b>151,954</b>	<b>70,591</b>	<b>26,805</b>	<b>1,642,713</b>	<b>1,313,839</b>

# Notes to the financial statements (Continued)

## 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

	AUSTRALIA	SOUTH EAST ASIA	GLOBAL PLATFORM	GLOBAL SERVICES	CORPORATE OVERHEADS	TOTAL
	\$	\$	\$	\$	\$	\$
<b>Half-year ended 30 June 2022</b>						
<b>Revenue:</b>						
External sales	1,285,870	275,562	81,281	–	–	1,642,713
<b>Segment results:</b>						
Segment profit/(loss)	(790,835)	(211,444)	81,281	(1,363,822)	(860,993)	(3,145,813)
Segment assets	3,924,835	399,388	–	–	415,300	4,739,523
Segment liabilities	1,585,966	422,653	–	–	172,457	2,181,076

	AUSTRALIA	SOUTH EAST ASIA	GLOBAL PLATFORM	GLOBAL SERVICES	CORPORATE OVERHEADS	TOTAL
	\$	\$	\$	\$	\$	\$
<b>Half-year ended 30 June 2021</b>						
<b>Revenue:</b>						
External sales	927,115	273,837	112,887	–	–	1,313,839
<b>Segment results:</b>						
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

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# Notes to the financial statements (Continued)

## 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.

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# Directors' declaration

Half-year ended 30 June 2022

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 2022 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



**Spiros Pappas**  
Chairman

Dated: 31 August 2022

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# Auditor's independence declaration



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

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 2022, 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 2022

ADELAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY
Suite 201 Level 2 147 Pine Street Adelaide SA 5000	Level 4 240 Queen Street Brisbane QLD 4000	Paspalis Business Centre Level 1 Suite 111 48-50 Smith Street Darwin NT 0800	Level 14 440 Collins Street Melbourne VIC 3000	Allendale Square Level 11 77 St Georges Terrace Perth WA 6000	Level 40 2 Park Street Sydney NSW 2000
T: +61 8 8545 8422	T: +61 7 2111 7000	T: +61 8 8943 0645	T: +61 3 9820 4400	T: +61 8 8943 0645	T: +61 2 9263 2600

hallchadwick.com.au



# Independent auditor's review report



OPENLEARNING LIMITED  
AND CONTROLLED ENTITIES  
ABN 18 635 890 390

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

### 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 (the Company) and its controlled entities (the Group) 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 2022 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 1.2 in the half year financial report which indicates that the Group had incurred a net loss of \$3,145,813 and net operating cash outflow of \$2,984,810. These conditions, along with other matters as set forth in Note 1.2 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.

ADELAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY
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T: +61 8 8545 8422	T: +61 7 2111 7000	T: +61 8 8943 0645	T: +61 3 9820 6400	T: +61 8 8943 0645	T: +61 2 9263 2600

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# Independent auditor's review report (Continued)



**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 2022 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.

A handwritten signature in cursive script, appearing to read 'Hall Chadwick'.

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

A handwritten signature in cursive script, appearing to read 'Drew Townsend'.

**DREW TOWNSEND**  
Partner  
Dated: 31 August 2022

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# Corporate directory

## Directors

Spiro Pappas	– Non-Executive Chairman
Adam Brimo	– Managing Director and Group CEO
Benjamin Shields	– Non-Executive Director
John Merakovsky	– Non-Executive Director

## Company Secretary

Nova Taylor  
Robyn Slaughter

## 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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