

ASX Announcement | 11 October 2022

OpenLearning secures strategic investment from Education Centre of Australia (ECA) and announces rights issue

Highlights:

- Education Centre of Australia ('ECA'), a diverse international educational group that supports students throughout their academic journey, through English language courses, undergraduate and postgraduate degrees, across the broad spectrum of disciplines, has invested circa A\$1.1 million for a circa 10.7% stake in OpenLearning by way of a placement at A\$0.043 per share
- Eligible OpenLearning shareholders will be able to invest alongside ECA through a non-renounceable rights issue at the same price per share to raise up to \$2.065 million in new capital
- OpenLearning is in discussions with ECA to underwrite the rights issue to the extent that their shareholding in OpenLearning does not exceed 19.9%
- It is anticipated that the total capital raised of up to \$3.17 million through the placement to ECA and rights issue will provide OpenLearning with sufficient capital to achieve its strategic objectives
- The strategic investment from ECA provides OpenLearning with the opportunity to work closely with a leading international education group to improve the efficiency of its operations and expand the OpenLearning platform into new markets

Sydney, Australia, 11 October 2022: Global lifelong learning platform **OpenLearning Limited** ('OpenLearning' or 'the Company') (ASX: OLL) is pleased to announce that it has secured a strategic investment from Education Centre of Australia ('ECA'), a diverse international educational group with offices in seven countries, partnerships with Australian, U.K. and Indian universities, and wholly owned Australian education providers that enrol over 7,000 students per year.

ECA has invested circa A\$1.1 million in the Company through the issue of 25,734,750 new ordinary shares at A\$0.043 per share, representing approximately a 24.5% premium to OpenLearning's 30-day volume weighted average price (VWAP) of \$0.034 up to 6 October 2022.

Under the subscription agreement entered into with ECA, the Company has agreed to appoint ECA Group CEO Rupesh K. Singh to the Company's Board of Directors as a non-executive director on completion of the placement. Thereafter, ECA will have a right to remove and replace its one nominee non-executive director to the Company's board for so long as ECA holds a relevant interest in at least 10% of the Company's issued capital. The subscription agreement may be terminated at any time by either party where the requirements of the agreement are not completed or satisfied or are not capable of being satisfied, or upon a material breach of the agreement. The subscription agreement otherwise contains terms and conditions customary for an agreement of its nature.

The placement will utilise the Company's existing capacity to issue the securities under ASX Listing Rule 7.1. The allotment of the new placement shares is anticipated to occur on or around 12th October 2022.

Strategic review wrapping up with ECA to play a key role

The Company commenced a strategic review of its business in May 2022, which generated interest from multiple parties and a number of opportunities for the Company. With ECA's strategic investment and its representative joining the Company's Board of Directors, ECA is expected to play a key role in the final stages of the strategic review process.

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ECA's track record of profitable growth in the Australian and international education sector will provide OpenLearning with the expertise it needs to retain and grow its core Platform SaaS business, improve efficiency and capitalise on opportunities to accelerate revenue growth.

With ECA's expertise and the strategic initiatives already under consideration, the Company is confident that the capital raised through the placement and rights issue will be sufficient for the Company to execute its strategic objectives.

The Company's Board of Directors will continue to actively assess corporate transactions that have the potential to deliver a benefit to shareholders and keep shareholders informed in accordance with its continuous disclosure obligations.

About Education Centre of Australia

Education Centre of Australia (ECA) is a diverse, multi-sector education group that is at the forefront of Australia's higher education sector. Over the past two decades, ECA has helped tens of thousands of students from around the world to transform their lives through an international education. As experts in the international student market, ECA's success is underpinned by its outstanding international network, robust university partnerships, and unwavering commitment to its staff and students.

ECA currently employs over 300 people and enrolls over 7,000 students per year through its university partners and highly successful colleges, including:

- Victoria University Sydney
- Swinburne University of Technology
- Asia Pacific International College
- ELSIS English Language Schools
- Education Centre Australia Graduate Institute
- ECA College
- Australasian College Care Leadership and Management
- ECA Professional Year

ECA assists students throughout their academic journey, with end-to-end support called the ECA Advantage, providing English language courses, undergraduate and postgraduate degrees across the broad spectrum of disciplines along with industry-relevant internship opportunities to ease their way into the global workforce.

ECA Group CEO, Rupesh K. Singh, said: "We are excited to invest in OpenLearning and we look forward to working closely with OpenLearning's leadership team and Board of Directors to ensure that their business is sustainable and expand into new markets. Over the past two decades, ECA has grown to become one of the largest education groups in Australia. We have strong partnerships in over 40 countries, and we are now expanding our business by delivering more programs online. We see OpenLearning playing a key role in this expansion. Our mission at ECA is to create lifelong learning opportunities for the global community and from our discussions with OpenLearning's founders, it is clear that there is a strong sense of alignment with the values and mission of ECA."

OpenLearning Group CEO & Managing Director Adam Brimo said: "We're excited to welcome ECA to the register as a strategic investor and we look forward to working with them as we finalise our strategic review and explore a range of growth opportunities. ECA's founder and CEO, Rupesh Singh, is a highly regarded entrepreneur in the international education sector with extensive hands-on experience across the Asia-Pacific. ECA's university partnerships, geographic footprint and wholly owned colleges are a strong compliment to OpenLearning's education technology business and could provide opportunities for OpenLearning to increase its efficiency and expand into new markets. With the proceeds of the placement and the planned rights issue, we are confident that OpenLearning will have sufficient capital to achieve its strategic objectives."

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Rights issue

OpenLearning is also pleased to announce that it will undertake a non-renounceable rights issue to the Company's eligible shareholders to raise circa \$2.065 million, in addition to the \$1.1 million placement to ECA. The rights issue will entitle eligible shareholders to subscribe for 1 ordinary share for every 5 held on the Record Date at a price of \$0.043 per share.

The Company is in discussions with ECA to underwrite the rights issue to the extent that their voting power does not exceed 19.9% and further information will be provided in due course.

The funds will be utilised for working capital, execution of the Company's restructuring plan, sales and marketing, platform development and implementing the outcomes of the strategic review.

Shareholders will also have the opportunity to apply for any shortfall shares under the rights ('Shortfall') before the offer is closed. Shares issued under the rights issue will rank equally with existing ordinary shares from the date of issue.

The anticipated timeline for the rights issue is as follows:

Action	Date
Announcement of Rights Issue & Appendix 3B	Tuesday, 11 October 2022
Lodgement of Prospectus with ASIC & ASX	Friday, 21 October 2022
Ex-date	Wednesday, 26 October 2022
Record Date for determining Entitlements	Thursday, 27 October 2022
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Tuesday, 1 November 2022
Last day to extend the Closing Date	Monday, 7 November 2022
Closing Date as at 5:00pm*	Thursday, 10 November 2022
Securities quoted on a deferred settlement basis	Friday, 11 November 2022
ASX notified of under subscriptions	Tuesday, 15 November 2022
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares	Thursday, 17 November 2022

The entitlement offer gives eligible shareholders with a registered address in Australia, New Zealand, Malaysia or Singapore who hold shares on the record date the opportunity to invest alongside ECA in OpenLearning at the same price per share.

Ends.

Authorised by:

Adam Brimo

Group CEO & Managing Director

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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****Nova Taylor**

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About OpenLearning

OpenLearning Limited is a higher education technology 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 3 million learners worldwide across over thousands of courses provided by hundreds of education providers, OpenLearning is at the forefront of a new wave of online education delivery.

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