

OPENLEARNING LIMITED
ACN 635 890 390

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata non-renounceable entitlement issue of 1 Shares for every 5 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.043 per Share to raise circa \$2,065,025 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

This Offer is partially underwritten by ECA Investments Group Pty Limited ATF The ECA Investments Group Trust (**Underwriter**). Refer to Section 6.5.1 for details regarding the terms of the underwriting.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 24 October 2022 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your

financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or

to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand or Malaysia.

For further information on overseas Shareholders please refer to Section 2.9.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.3 for further details.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at <https://solutions.openlearning.com/>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian, New Zealand or Malaysian resident and must only access this Prospectus from within Australia, New Zealand or Malaysia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 3 8678 4091 during office hours or by emailing the Company at investors@openlearning.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing

certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 7.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish

to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on +61 3 8678 4091.

CORPORATE DIRECTORY

Directors

Adam Brimo
(Managing Director and Group CEO)

Spiro Pappas
(Non-Executive Chairman)

Ben Shields
(Non-Executive Director)

John Merakovsky
(Non-Executive Director)

Rupesh Singh
(Non-Executive Director)

Joint Company Secretaries

Nova Taylor

Robyn Slaughter

Registered Office

Suite 1803, Level 18
227 Elizabeth Street
Sydney NSW 2000, Australia

Telephone: + 61 2 8294 9686

Email: investors@openlearning.com

Website:

<https://solutions.openlearning.com/>

Auditor*

Hall Chadwick
Level 40
2 Park Street
SYDNEY NSW 2000

Share Registry*

Automic Group
Level 5
126 Phillip Street
SYDNEY NSW 2000

Telephone (Australia): 1300 288 664
Telephone (Overseas): +61 2 9698 5414
Facsimile: +61 2 8583 3040

Legal Advisers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Underwriter

ECA Investments Group Pty Limited ATF The
ECA Investments Group Trust
Level 10, 160 Sussex Street
Sydney NSW 2000

*This entity is included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

TABLE OF CONTENTS

| | | |
|----|--|----|
| 1. | KEY OFFER INFORMATION..... | 5 |
| 2. | DETAILS OF THE OFFER..... | 10 |
| 3. | PURPOSE AND EFFECT OF THE OFFER..... | 16 |
| 4. | RIGHTS AND LIABILITIES ATTACHING TO SECURITIES | 19 |
| 5. | RISK FACTORS | 22 |
| 6. | ADDITIONAL INFORMATION | 34 |
| 7. | GLOSSARY | 44 |

For personal use only

1. KEY OFFER INFORMATION

1.1 Timetable

| Action | Date |
|---|-----------------------------|
| Announcement of Rights Issue & Appendix 3B | Tuesday, 11 October 2022 |
| Lodgement of Prospectus with ASIC & ASX | Monday, 24 October 2022 |
| Ex-date | Thursday, 27 October 2022 |
| Record Date for determining Entitlements | Friday, 28 October 2022 |
| Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed | Wednesday, 2 November 2022 |
| Last day to extend the Closing Date | Tuesday, 8 November 2022 |
| Closing Date as at 5:00pm* | Friday, 11 November 2022 |
| Securities quoted on a deferred settlement basis | Monday, 14 November 2022 |
| ASX notified of under subscriptions | Wednesday, 16 November 2022 |
| Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares | Friday, 18 November 2022 |

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Shares are expected to commence trading on ASX may vary.

1.2 Key statistics of the Offer

Shares

| | Minimum Subscription (\$1,183,652) ¹ | Maximum Subscription (\$2,065,025) ² |
|--|--|--|
| Offer Price per Share | \$0.043 | \$0.043 |
| Entitlement Ratio (based on existing Shares) | 1 Share for every 5 Shares held at the Record Date | 1 Share for every 5 Shares held at the Record Date |
| Shares currently on issue | 240,119,149 | 240,119,149 |
| Shares to be issued under the Offer | 27,526,792 | 48,023,830 |
| Gross proceeds of the issue of Shares | \$1,183,652 | \$2,065,025 |
| Shares on issue Post-Offer | 267,645,941 | 288,142,979 |

Notes:

1. Assuming the Minimum Subscription of \$1,183,652 is achieved under the Offer.
2. Assuming the Maximum Subscription of \$2,065,025 is achieved under the Offer.
3. Refer to Section 4.1 for the terms of the Shares.

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

1.4 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

| Director | Shares | Options | Entitlement | \$ |
|---------------------------|------------|-----------|-------------|-----------|
| Adam Brimo ¹ | 6,932,475 | Nil | 1,386,495 | \$59,619 |
| Spiro Pappas ² | 3,679,091 | 1,000,000 | 735,818 | \$31,640 |
| Ben Shields ³ | 334,903 | Nil | 66,981 | \$ 2,880 |
| John Merakovsky | Nil | Nil | Nil | - |
| Rupesh Singh ⁴ | 25,734,750 | Nil | 5,146,950 | \$221,319 |

Notes:

- Comprising:
 - 6,631,117 Shares held directly by Mr Brimo;
 - 175,000 Shares held indirectly by Strong Alliance Pty Ltd <Day Day Up Superfund A/C>; and
 - 126,358 Shares held indirectly by Melissa Ran.
- Comprising:
 - 958,333 Shares and 1,000,000 unlisted \$0.30 options expiring 9 December 2022 held directly by Mr Pappas; and
 - 2,720,758 Shares held indirectly by Nicolette Harper.
- Comprising 334,903 Shares issued in connection with the investment by Alchemy Tribridge announced on 26 November 2021. While Ben Shields is a director of Alchemy Tribridge, he does not exercise control of Alchemy Tribridge and therefore does not hold a relevant interest in Securities held by it.
- Comprising 25,734,750 Shares issued in connection with the investment by Education Centre of Australia (**ECA**) announced on 11 October 2022. Mr Singh is the sole director of ECA and therefore holds a relevant interest in Securities held by it.

The Offer is partially underwritten by ECA, which may increase the relevant interest of ECA in the Company. However ECA will not increase their shareholding to above 19.99% as a direct result of the issue of Securities under the Offer. Refer to Section 6.4.1 for details of the terms of the underwriting.

The Board recommends all Shareholders take up their Entitlements.

1.5 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

| Shareholder | Shares | % |
|--|------------|-------|
| Alchemy Tribridge Sapphire Pty Ltd | 36,379,929 | 15.15 |
| ECA Investments Group Pty Limited ATF The ECA Investments Group Trust | 25,734,750 | 10.72 |
| Magna Intelligent SDN BHD | 12,195,058 | 5.08% |

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

1.6 Underwriting

The Offer is partially underwritten by ECA Investments Group Pty Limited ATF The ECA Investments Group Trust (**Underwriter** or **ECA**). Refer to Section 6.5.1 for details of the terms of the underwriting.

The Underwriter will not increase their shareholding to above 19.99% as a direct result of the issue of Securities under the Offer.

1.7 Effect on Control

Based on current shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Offer, no Shareholder will increase their holding, to an amount in excess of 19.9% through applying for their Entitlements.

Further as set out in Section 2.6, on the basis of the allocation policy, no person will acquire, through participation in the Shortfall Offer a holding of Shares of, or increase their holding to, an amount in excess of 19.9% of all the Shares on issue on completion of the Offer.

1.8 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.7 and 1.9, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 17% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

| Holder | Holding as at Record date | % at Record Date | Entitlements under the Offer | Holdings if Offer not taken Up | % post Offer |
|---------------|---------------------------|------------------|------------------------------|--------------------------------|--------------------|
| Shareholder 1 | 10,000,000 | 4.16% | 2,000,000 | 10,000,000 | 3.47% |
| Shareholder 2 | 5,000,000 | 2.08% | 1,000,000 | 5,000,000 | 1.74% |
| Shareholder 3 | 1,500,000 | 0.62% | 300,000 | 1,500,000 | 0.52% |
| Shareholder 4 | 400,000 | 0.17% | 80,000 | 400,000 | 0.14% |
| Shareholder 5 | 50,000 | 0.02% | 10,000 | 50,000 | 0.02% |
| Total | 240,119,149 | | 48,023,830 | | 288,142,979 |

Notes:

1. This is based on a share capital of 240,119,149 Shares as at the date of the Prospectus and assumes no Options currently on issue or other Shares are issued or Performance Rights are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Underwriting and Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

1.9 Effect of the Offer on Voting Power in and Control of the Company

ECA have indicated to the Company that they will subscribe for their full entitlement under the Offer and are partially underwriting the Offer. For further details of the Underwriting refer to section 6.5.1 of this Prospectus.

Given that ECA will take up its full entitlement under the Offer and may be issued further Shares in connection with the Underwriting, if some or all Shareholders do not take up some or all of their Entitlements under the Offer, then ECA's voting power in the Company will increase.

As there may be a potential change in the level of control of the Company, there is a requirement to disclose the effect on the Company which may result from the Offer. It is noted that there will be no change where 100% of Shareholders take up their Entitlements. If Eligible Shareholders apply for all their Entitlements, this will reduce the change in the percentage holding of ECA. An analysis of the changes in the voting power in the Company for ECA under various scenarios has been undertaken to indicate its potential effect on the Company.

ECA and its associates' voting power and changes under several scenarios are set out in the table below.

| Event | Number of Shares held by ECA | Voting Power of ECA in the Company |
|--|------------------------------|------------------------------------|
| As on the date of the Prospectus | 25,734,750 | 10.72% |
| After issue of Shares to ECA and assuming 100% of Shareholders take up their Entitlement | 30,881,700 | 10.72% |
| After issue of Entitlement and Underwriting Shares to ECA and assuming 75% of Shareholders take up their Entitlement | 42,887,657 | 14.88% |
| After issue of Entitlement and underwriting Shares to ECA and assuming 50% of Shareholders take up their Entitlement | 54,893,615 | 19.05% |
| After issue of Entitlement and Underwriting Shares to ECA and assuming 25% of Shareholders take up their Entitlement | 54,965,590 | 19.90% ² |
| After issue of Entitlement and Underwriting Shares to ECA and assuming no other Shareholders take up their Entitlement | 53,261,542 | 19.90% ² |

Notes:

1. This is based on the assumption that the Company's current capital structure does not change and does not account for the Shortfall Offer.
2. Note that to the extent that the Underwriting Commitment would result in the Underwriter acquiring a relevant interest in excess of 19.9%, the Underwriting Commitment will be

reduced by such number of Shares as would result in the Underwriter having a relevant interest of 19.9% following the issue of Shares under the Underwriting Commitment. Refer to section 6.5.1 of this Prospectus for further details on the Underwriting.

The shareholding and voting power details of the ECA under the various scenarios in the table above show the potential for ECA to increase its level of control by participating in the Offer.

The percentage interests of any Shareholders that do not take up some or all of their entitlement under the Offer will decrease.

The maximum level of voting power in the Company of the ECA following the Offer is 19.9%.

For personal use only

2. DETAILS OF THE OFFER

2.1 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of 1 Share for every 5 Shares held by Shareholders registered at the Record Date at an issue price of \$0.043 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) approximately 48,023,830 Shares may be issued under the Offer to raise up to \$2,065,025.

As at the date of this Prospectus the Company has 9,043,333 Options on issue, 8,043,333 of which may be exercised prior to the Record Date in order to participate in the Offer.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 3.

2.2 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which can be accessed at through the investor portal at <https://investor.automic.com.au/#/home>. Eligible Shareholders may choose any of the options set out in the table below.

| Option | Key Considerations | For more information |
|--|--|------------------------------|
| Take up all of your Entitlement | <ul style="list-style-type: none">Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which can be accessed at https://investor.automic.com.au/#/home. Please read the instructions carefully.Payment can be made by the methods set out in Section 2.3. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. | Section 2.3 and Section 2.4. |
| Take up all of your Entitlement and also apply for Shortfall Securities | <ul style="list-style-type: none">Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form | Sections 2.3, 2.4 and 2.6. |

| Option | Key Considerations | For more information |
|---|---|------------------------------------|
| | <p>which can be accessed at https://investor.automic.com.au/#/home. Please read the instructions carefully.</p> <ul style="list-style-type: none"> • Payment can be made by the methods set out in Section 2.3. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. • If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 2.6. Accordingly, your application for additional Shortfall Securities may be scaled-back. • The Company's decision on the number of Shortfall Securities to be allocated to you will be final. | |
| <p>Take up a proportion of your Entitlement and allow the balance to lapse</p> | <ul style="list-style-type: none"> • If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by following the instructions on the Entitlement and Acceptance Form which can be accessed at https://investor.automic.com.au/#/home for the number of Securities you wish to take up and making payment using the methods set out in Section 2.3 below. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. | <p>Section 2.3 and Section 2.4</p> |
| <p>Allow all or part of your Entitlement to lapse</p> | <ul style="list-style-type: none"> • If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Offer to you will lapse. | <p>N/A</p> |

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

2.3 Payment options

(a) **By BPAY®**

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- For personal use only
- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
 - (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
 - (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00 PM (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) By Electronic Funds Transfer

For payment by Electronic Funds Transfer (**EFT**), please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

You must quote your unique payment reference, as shown on your personalised entitlement and acceptance form, as your payment reference/description when processing your EFT

payment. Failure to do so may result in your funds not being allocated to your application and Shares subsequently not issued.

(c) **By Cheque**

Payment by cheque or cash will not be accepted.

2.4 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

2.5 Minimum subscription

The minimum subscription in respect of the Offer is \$1,183,652.

No Securities will be issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

2.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.043 being the price at which Shares have been offered under the Offer

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Section 2.3

Allocation of the Shortfall Shares will be at the discretion of the Board in conjunction with the Underwriter and will otherwise be subject to the terms of the Underwriting Agreement, details of which are set out in Section 6.5.1. There is no guarantee that Eligible Shareholders will receive Securities applied for under the Shortfall Offer.

The Company notes that no Securities will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Securities would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Securities will be issued via the Shortfall Offer to any related parties of the Company.

2.7 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

2.8 Issue of Securities

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

2.9 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand and Malaysia.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the offer of New Shares. The New Shares under the entitlement offer may not be offered, sold or issued in Malaysia except to existing shareholders of the Company. Any New Shares not taken up under the entitlement offer may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, pursuant to Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act 2007.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand or Malaysia without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the offer

The purpose of the Offer is to raise circa \$2,065,025 before costs.

The funds raised from the Offer are intended to be applied in accordance with the table set out below:

| Item | Proceeds of the Offer | Minimum Subscription (\$1,183,652) | Full Subscription (\$2,065,025) | % |
|------|--|------------------------------------|---------------------------------|-------------|
| 1. | Restructuring Plan | 44,418 | 44,418 | 2% |
| 2. | Sales and marketing | 256,814 | 428,024 | 21% |
| 3. | Platform Development | 579,021 | 965,034 | 47% |
| 4. | Implementation of outcomes of the strategic review | 145,000 | 303,000 | 15% |
| 5. | Working capital | 121,483 | 287,633 | 14% |
| 6. | Expenses of the Offer ¹ | 36,916 | 36,916 | 2% |
| | Total | 1,183,652 | 2,065,025 | 100% |

Notes:

1. Refer to Section 6.9 for further details relating to the estimated expenses of the Offer.

If only the Minimum Subscription (\$1,183,652) is raised under the Offer, then the expenses of the Offer and the amount allocated to the Restructuring Plan are not expected to change. However, the Company may consider reducing the amount of funds allocated to the corporate costs, sales and marketing, platform development, the outcomes of the strategic review and working capital by the amount of the difference between the amount raised and the Minimum Subscription or the Company may consider alternative options for raising further capital.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans.

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

3.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$2,028,109 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (a) increase the number of Shares on issue from 240,119,149 as at the date of this Prospectus to 288,142,979 Shares.

3.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Shares

| | Number |
|--|--------------------|
| Shares currently on issue | 240,119,149 |
| Shares offered pursuant to the Offer | 48,023,830 |
| Total Shares on issue after completion of the Offer | 288,142,979 |

The capital structure on a fully diluted basis as at the date of this Prospectus would be 249,512,482 Shares and on completion of the Offer (assuming all Entitlements are accepted) would be 297,536,312 Shares.

No Shares, Options or Performance Rights on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.4 Pro-forma balance sheet

The audited balance sheet as at 30 June 2022 and the unaudited pro-forma balance sheet shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

| | AUDITED ¹ 30 Jun 2022 | PROFORMA Maximum Raise | PROFORMA Minimum Raise |
|----------------------------------|-------------------------------------|------------------------------|---------------------------|
| | \$ | \$ | \$ |
| CURRENT ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash | 3,858,554 | 5,923,579 | 5,042,206 |
| Other current assets | 468,304 | 468,304 | 468,304 |
| TOTAL CURRENT ASSETS | 4,326,858 | 6,391,883 | 5,510,510 |
| | | | |
| NON-CURRENT ASSETS | | | |
| Plant and equipment | 57,084 | 57,084 | 57,084 |
| Intangibles | 1,462,175 | 1,462,175 | 1,462,175 |
| TOTAL NON-CURRENT ASSETS | 1,519,259 | 1,519,259 | 1,519,259 |
| | | | |
| TOTAL ASSETS | 5,846,117 | 7,911,142 | 7,029,769 |
| | | | |
| CURRENT LIABILITIES | | | |
| Creditors and borrowings | 2,181,076 | 2,181,076 | 2,181,076 |
| TOTAL CURRENT LIABILITIES | 2,181,076 | 2,181,076 | 2,181,076 |
| | | | |
| TOTAL LIABILITIES | 2,181,076 | 2,181,076 | 2,181,076 |
| | | | |
| NET ASSETS (LIABILITIES) | 3,665,041 | 5,730,066 | 4,848,693 |
| | | | |
| EQUITY | | | |
| Share capital | 35,070,263 | 37,135,288 | 36,253,915 |
| Options Reserve | 2,156,993 | 2,156,993 | 2,156,993 |
| Retained loss | (33,562,215) | (33,562,215) | (33,562,215) |
| TOTAL EQUITY | 3,665,041 | 5,730,066 | 4,848,693 |

Notes:

- Adjusted to include the issuance of 25,734,751 subscription shares (\$1,106,594) to Education Centre of Australia in October 2022.
- The Company expects net operating cash outflows in the quarter ending 30 September 2022 to be between \$1,300,000 and \$1,400,000.

For personal use only

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5. RISK FACTORS

5.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

(a) Going Concern Risk

The Company's financial statements for the half-year ended 30 June 2022 (**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 Company incurred a net loss for the half-year of \$3,145,813 and net operating cash outflows of \$2,984,810. As at 30 June 2022, the Company had accumulated losses of \$33,566,215, net current assets of \$1,039,188 and cash and cash equivalents of \$2,751,960.

The Company has prepared a cashflow forecast for the next 12 months that indicates a risk that the Company may not meet all its payment obligations. However, the Directors believe that it was appropriate for the Financial Statements to be prepared on a going concern basis after consideration of the following factors:

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

- (iii) raising of additional working capital through the issuance of securities and/or other funding.

Accordingly, the Directors believe that the Company 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. If the Company is unsuccessful in implementing the above stated objectives, a material uncertainty exists, that may cast significant doubt on the Company's ability to continue operate 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.

Given the Company's recent capital raising activities, the Board does not consider that this is a material short-term risk. However, the Board will continue to monitor its financial position with a view to managing financial risk and seeking to ensure that the Company continues to operate as a going concern.

(b) **Potential for dilution**

Upon implementation of the Offer, assuming all Entitlements are accepted, no other Shares are issued including Options or Performance Rights are exercised prior to the Record Date the number of Shares in the Company will increase from 240,119,149 as at the Record Date to 288,142,979. This means that immediately after the Offer each Share will represent a lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company, a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.034 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(c) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) **Climate Risk**

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

- (iv) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company

may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and

- (v) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(e) **Coronavirus (COVID-19)**

The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The COVID-19 pandemic may also give rise to issues, delays or restrictions in product processing and packaging and the Company's ability to deliver products to customers, which may result in cost increases or adverse impacts on sales. In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders or the COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from exploration projects may cause delays or cost increases. The effects of COVID -19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and any adverse impact on the Company. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

(f) **UNSW Transition Program Online**

A growing proportion of the Company's revenue is derived through the UNSW Transition Program Online (refer to ASX announcement dated 28 October 2020 for further details). This program is exposed to the international student market (particularly students in China, Indonesia, India and other Asian countries) and travel restrictions in Australia, as international students in the program may participate on the expectation of attending a university in person following completion of the program.

There are a number of macro factors impacting international student mobility that are beyond the Company's control. In addition, the Company has little control over student volume to this program as the university partner is responsible for sales and marketing of the program. If the macro factors impacting international student mobility become unfavourable, or / and the student recruitment effort by the university partner is ineffective, the Company is exposed to risks.

Further, as this is an academic program, the Company is exposed to additional risks pertaining to delivery of academic programs, including ensuring that the Company meets minimum quality standards for delivery of the program, risks associated with reputational damage should the program not operate effectively and risks associated with identifying and engaging suitably qualified staff for delivery of the program.

(g) **Platform Agreement Risk**

To continue to grow the Company's business, it is important that existing education providers (**Providers**) renew their subscriptions when existing contracts expire and that the Company expands its relationships with existing customers. Providers have no obligation to renew their subscriptions and may decide not to renew their subscriptions with a similar contract period, at the same prices and terms, or at all.

The Company's ability to retain providers and expand deployments with them may decline or fluctuate as a result of a number of factors, including providers' satisfaction with the Company's learning platform (the **OL Platform**), the Company's customer support, prices, competitor prices and new feature releases. If Providers do not offer additional Courses or renew their existing subscriptions, renew on less favourable terms, or fail to continue to expand their engagement with the OL Platform, the Company's revenue may decline or grow less quickly than anticipated, which would harm its results of operations.

The Company's growth strategy is largely dependent upon increasing the number of Providers that use the OL Platform, in particular at institution and enterprise levels. As the Company seeks to increase its sales, it may face upfront sales costs and longer sales cycles, higher customer acquisition costs, more complex customer requirements, and volume discount requirements.

The Company may be required to enter into customised contractual arrangements with certain Providers, particularly large enterprises, in which the Company offers more favourable pricing terms in exchange for larger total contract values that accompany large deployments. As the Company continues to expand its sales efforts to institutional and

enterprise Providers, it will need to continue to increase the investments it makes in sales and marketing, and there is no guarantee that investments will succeed and contribute to additional Provider acquisition and revenue growth. If the Company is unable to increase sales to these Providers, its business, financial condition, and results of operations may suffer.

(h) **Demand for Cloud Based Learning**

The Company's future success will depend in part on the growth, if any, in the demand for cloud-based technology learning solutions. The widespread adoption of the OL Platform depends not only on strong demand for new forms of technology learning, but also for solutions delivered through a SaaS business model in particular.

The market for cloud-based learning solutions is less mature than the market for in-person learning, which many Providers currently utilise and Providers may be slow or unwilling to migrate from these legacy approaches. As such, it is difficult to predict Provider demand for the OL Platform, Provider adoption and renewal, the rate at which existing Providers expand their engagement with the OL Platform, the size and growth rate of the market for the OL platform, the entry of competitive products into the market, or the success of existing competitive products.

Even if Providers want to adopt a cloud-based technology learning solution, it may take them a long time to fully transition to this type of learning solution or they could be delayed due to budget constraints, weakening economic conditions, or other factors.

Even if market demand for cloud-based technology learning solutions generally increases, the Company cannot guarantee that adoption of the OL Platform will also increase. If the market for cloud-based technology learning solutions does not grow as the Company's expects or the OL Platform does not achieve widespread adoption, it could result in reduced course sign-ups, Provider attrition and decreased revenue, any of which would adversely affect the Company's business and results of operations.

(i) **OL Platform Risk**

The Company will need to ensure that the OL Platform continues to be updated to add new features as new technologies are developed. The success of any enhancement or new feature depends on several factors, including the Company's understanding of market demand, timely execution, successful introduction, and market acceptance. The Company may not successfully develop new content and features or enhance the OL Platform to meet customer needs or new content and features and enhancements may not achieve adequate acceptance in the market.

A prolonged service disruption affecting the OL Platform could damage the Company's reputation, expose the Company to liability, cause the Company to lose customers, or otherwise harm the Company's business. While alternative services are available, the Company may incur significant costs and delays if it is required to transition to a new service provider, and using alternative cloud infrastructure providers may provide services on terms less favourable to those currently offered.

Errors, failures, vulnerabilities, or bugs may occur in the OL platform, especially when updates are deployed or new features are rolled out. In addition, utilisation of the OL Platform in complicated, large-scale customer environments may expose errors, failures, vulnerabilities or bugs. Any such errors, failures, vulnerabilities or bugs may not be found until after they are deployed. As a provider of technology learning solutions, the Company's brand and reputation is particularly sensitive to such errors, failures, vulnerabilities, or bugs, due to the fact that Providers' proprietary information will be available through the OL Platform. Any unauthorised access of course content by third parties could expose the Company to significant liability.

Real or perceived errors, failures, vulnerabilities, or bugs in the OL Platform could result in negative publicity, loss of competitive position, loss of customer data, loss of or delay in market acceptance, or claims by Providers for losses sustained by them, all of which could harm the Company's business and results of operations.

(j) **SaaS Risk**

The Company relies on hosted SaaS applications from third parties in order to operate critical functions of the OL Platform, including content delivery, enterprise resource planning, customer relationship management, billing, project management, and accounting and financial reporting. If these services become unavailable due to extended outages, interruptions, or because they are no longer available on commercially reasonable terms, the Company's expenses could increase, its ability to manage finances could be interrupted, and its processes for managing sales through the OL Platform and supporting Providers and learners could be impaired until equivalent services, if available, are identified, obtained, and implemented, all of which could adversely affect the Company's business.

(k) **Privacy and Data Collection Risk**

Use of the OL Platform involves the storage, transmission, and processing of data from Providers and learners, including certain personal or individually identifying information. Personal privacy, information security, and data protection are significant issues. The regulatory framework governing the collection, processing, storage, and use of business information, particularly information that includes personal data, is rapidly evolving and any failure or perceived failure to comply with applicable privacy, security, or data protection laws, regulations or contractual obligations may adversely affect the Company's business.

(l) **Reliance on the Internet**

The OL Platform depends on the availability of the internet, and to a lesser extent the quality of users' access to the internet. Certain features of the OL Platform require significant bandwidth and fidelity to work effectively.

Internet access is frequently provided by companies that have significant market power that could take actions that degrade, disrupt, or increase the cost of user access to the OL Platform, which would negatively impact the Company. the Company could incur greater operating expenses and its ability to acquire and retain customers could be negatively impacted if network operators: implement usage-based

pricing; discount pricing for competitive products; otherwise materially change their pricing rates or schemes; charge the Company to deliver traffic at certain levels or at all; throttle traffic based on its source or type; implement bandwidth caps or other usage restrictions; or otherwise try to monetize or control access to their networks.

In addition, there are various laws and regulations that could impede the growth of the internet or other online services, and new laws and regulations may be adopted in the future. These laws and regulations could, in addition to limiting internet neutrality, involve taxation, tariffs, privacy, data protection, information security, content, copyrights, distribution, electronic contracts and other communications, consumer protection, and the characteristics and quality of services, any of which could decrease the demand for, or the usage of, the OL Platform. These changes or increased costs could materially harm the Company's business, results of operations, and financial condition.

(m) **Marketing Risk**

The Company's ability to broaden its Provider base and achieve broader market acceptance of the OL Platform will depend to a significant extent on the ability of its sales and marketing team to work together to drive its sales pipeline and cultivate Provider relationships to drive revenue growth.

The Company has invested in, and plans to continue, expanding its sales and marketing activities. Identifying, recruiting, and training sales personnel will require significant time, expense, and attention. The Company also plans to dedicate significant resources to sales and marketing programs. If the Company is unable to hire, develop, and retain talented sales or marketing personnel, if the Company's new sales or marketing personnel are unable to achieve desired productivity levels in a reasonable period of time, or if the Company's sales and marketing programs are not effective, its ability to broaden our customer base and achieve broader market acceptance of the OL Platform could be harmed. In addition, the investments the Company makes in its sales and marketing team will occur in advance of experiencing benefits from such investments, making it difficult to determine in a timely manner if it is efficiently allocating resources in these areas.

(n) **Competition Risk**

The market for online learning solutions is highly competitive, rapidly evolving, and fragmented, and the Company expects competition to continue to increase in the future. A significant number of companies have developed, or are developing, products and services that currently, or in the future may, compete with the Company's offerings. There are also existing competitors operating in jurisdictions outside of the Company's Primary Markets. This competition, or a movement of competitors into the Company's primary markets, could result in decreased revenue, increased pricing pressure, increased sales and marketing expenses, and loss of market share, any of which could adversely affect the Company's business, results of operations, and financial condition.

Many of the Company's competitors and potential competitors are larger and have greater brand name recognition, longer operating histories, larger marketing budgets and established customer

relationships, access to larger customer bases and significantly greater resources for the development of their solutions. In addition, the Company face potential competition from participants in adjacent markets that may enter its markets by leveraging related technologies and partnering with or acquiring other companies or providing alternative approaches to provide similar results.

(o) **Reliance on key management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(p) **International operations**

The Company operates primarily in Australia, Singapore and Malaysia, as well as other international jurisdictions, which may increase at a later date.

The Company's operations could therefore be subject to a number of risks inherent in global operations, including political and economic instability in foreign markets, inconsistent product regulation by foreign agencies or governments, imposition of product tariffs and burdens, cost of complying with a wide variety of international regulatory requirements, risks stemming from the Company's lack of local business experience in specific foreign countries, foreign currency fluctuations, difficulty in enforcing intellectual property rights, foreign taxes, and language and other cultural barriers.

Additionally, operating an international business with a sales force managed from Australia, Indonesia, Singapore and Malaysia and with distributorships and sales in a number of legal jurisdictions will necessarily require substantial input from a variety of legal counsel and expose the Company to legal costs that may be disproportionately high relative to its revenues, and will be incurred regardless of whether the Company derives revenues from a given jurisdiction or at all.

(q) **Acquisitions**

The Company's growth strategy may involve finding and consummating acquisitions in areas complimentary to the Company's business, with the Board considering potential acquisition opportunities on an ongoing basis. The Company may not be successful in identifying and acquiring suitable acquisition targets at acceptable cost. Further, acquisitions may require additional funding on acceptable terms, which may or may not be available at the relevant time. The Company will experience competition in making acquisitions from larger companies with significantly greater resources.

(r) **Protection of Intellectual Property Rights**

The commercial value of the Company's intellectual property assets is dependent on any relevant legal protections. These legal mechanisms, however, do not guarantee that the intellectual property will be protected or that the Company's competitive position will be maintained. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive

information, or that competitors will not be able to produce non-infringing competitive products. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. There can be no assurance that any intellectual property which the Company (or entities it deals with) may have an interest in now or in the future will afford the Company commercially significant protection of technologies, or that any of the projects that may arise from technologies will have commercial applications.

It is possible that third parties may assert intellectual property infringement, unfair competition or like claims against the Company under copyright, trade secret, patent, or other laws. While the Company is not aware of any claims of this nature in relation to any of the intellectual property rights in which it has or will acquire an interest, such claims, if made, may harm, directly or indirectly, the Company's business. If the Company is forced to defend claims of intellectual property infringement, whether they are with or without merit or are determined in the Company's favour, the costs of such litigation may be potentially significant and may divert management's attention from normal commercial operations.

(s) **Rapid growth risk**

The Company aims to experience rapid growth in the scope of its operating activities which may expand operations in new jurisdictions. This growth is anticipated to result in an increased level of responsibility where if unable to be managed, will result in not being able to take advantage of market opportunities and execute its business plan or respond to competitive pressure.

(t) **Strategies**

There are no limits on strategies that the Company may pursue. The Company's strategy may evolve over time due to, among other things, market developments and trends, technical challenges, the emergence of new or enhanced technology, changing regulation and/or industry practice. As a result, the strategy, approaches, markets and products undertaken to date may not reflect the strategies, approaches, markets and products relevant to, or pursued by, the Company at a later date.

5.3 **Industry specific**

(a) **Product liability**

As with all products, there is no assurance that unforeseen adverse events or defects will not arise in the Company's products. Adverse events could expose the Company to product liability claims or litigation, resulting in the removal of regulatory approval for the relevant products and/or monetary damages being awarded against the Company. In such event, the Company's liability may exceed the Company's insurance coverage, if any.

(b) **Disputes**

The activities of the Company may result in disputes with third parties, including, without limitation, the Company's investors, competitors, regulators, partners, distributors, customers, directors, officers and

employees, and service providers. The Company may incur substantial costs in connection with such disputes.

Further, a change in strategy may involve material and as yet unanticipated risks, as well as a high degree of risk, including a higher degree of risk than the Company's strategy in place as of the date hereof.

(c) **Loss of Customers**

The Company has established important relationships through development of its business to date. The loss of one or more customers through termination or expiry of contracts may adversely affect the operating results of the Company.

(d) **Litigation**

The Company is exposed to possible litigation risks including, but not limited to, intellectual property ownership disputes, contractual claims, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(e) **Data loss, theft or corruption**

The Company will store data in its own systems and networks and also with a variety of third party service providers. Exploitation or hacking of any of the Company's systems or networks could lead to corruption, theft or loss of the data which could have a material adverse effect on the Company's business, financial condition and results. Further, if the Company's systems, networks or technology are subject to any type of 'cyber' crime, its technology may be perceived as unsecure which may lead to a decrease in the number of customers.

The Company has not been hacked, but it is possible that the Company may experience negative publicity if their systems are able to be hacked at some point in the future.

(f) **Foreign exchange**

The Company will be operating in a variety of jurisdictions, including Australia, Singapore and Malaysia, and as such, expects to generate revenue and incur costs and expenses in AUD, USD, SGD and MYR. Consequently, movements in currency exchange rates may adversely or beneficially affect the Company's results or operations and cash flows. For example, the appreciation or depreciation of the US dollar relative to the Australian dollar would result in a foreign currency loss or gain. Any depreciation of currencies in foreign jurisdictions in which the Company operates may result in lower than anticipated revenue, profit and earnings of the Company.

(g) **Insurance coverage**

The Company faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. The Company proposes to arrange and maintain insurance coverage for its employees, as well as directors and officers liability insurance, however it does not currently propose to arrange and maintain business interruption insurance or insurance against claims for

certain property damage. The Company will need to review its insurance requirements periodically. If the Company incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, the Company's financial position and financial performance may be adversely affected.

The Company considers that it has sufficient insurance policies in place in respect of its business and assets. However, the occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(h) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development and research programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

5.4 **General risks**

(a) **Economic conditions and other global or national issues**

General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in

general and technology or defence stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Further, the value of the Shares may fluctuate more sharply than that of other securities, given the low per Share pricing of the Shares under the Prospectus, and the fact that investment in the Company is highly speculative.

(c) **Price of Shares**

As a publicly-listed company on ASX, the Company will be subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in its Share price. The price at which Shares are quoted on ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the Public Offer price. There is no assurance that the price of the Shares will increase or not decrease following the commencement of quotation on ASX, even if the Company's earnings increase.

(d) **Taxation risk**

The acquisition and disposal of Shares will have tax consequences for investors, which will vary depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent professional taxation and financial advice about the consequences of acquiring and disposing of Securities from a taxation viewpoint and generally.

5.5 **Speculative investment**

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Update regarding business developments

The Company is contemplating the acquisition of a technology business who operate an online platform in the education and employment sectors for the purpose of integrating it with the Company's lifelong learning platform. The Company is currently undertaking due diligence and terms of the potential transaction have not yet been finalised. The potential acquisition would not have a material impact on the Company's balance sheet on a standalone basis, however, the Company expects that additional value would be created by integrating it with the Company's lifelong learning platform. The Company's Board of Directors has not yet approved the potential transaction.

The Company is negotiating a usage-based SaaS reseller agreement with the Underwriter to distribute the Company's lifelong learning platform in the Indian subcontinent. The terms of the agreement have not yet been finalised and are subject to approval by the Company's Board of Directors.

The Company is contemplating changes to its agreement for the UNSW Transition Program Online with the aim of improving the operating efficiency and marketing of the program. The discussions are at an early stage and there is no certainty that any changes will be made to the agreement.

6.2 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.3 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and

- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

| Date | Description of Announcement |
|-----------------|---|
| 19 October 2022 | Notification of cessation of securities - OLL |
| 17 October 2022 | Initial Director's Interest Notice |
| 14 October 2022 | Cleansing Notice |
| 13 October 2022 | Becoming a substantial holder |
| 13 October 2022 | Application for quotation of securities - OLL |
| 11 October 2022 | Proposed issue of securities - OLL |
| 11 October 2022 | Proposed issue of securities - OLL |
| 11 October 2022 | Strategic Investment and Rights Issue |
| 10 October 2022 | Trading Halt |
| 10 October 2022 | Pause in Trading |
| 4 October 2022 | Change of Address |
| 31 August 2022 | Half Yearly Report and Accounts |
| 29 July 2022 | Quarterly Activities/Appendix 4C Cash Flow Report |
| 6 July 2022 | Initial Director's Interest Notice |
| 6 July 2022 | Final Director's Interest Notice |
| 30 June 2022 | Appointment of Independent Director and Retirement of CFO |
| 30 May 2022 | Constitution |
| 30 May 2022 | Final Director's Interest Notice |
| 27 May 2022 | Results of Meeting (Clarification on Resolution 1) |
| 27 May 2022 | Results of Meeting |
| 27 May 2022 | AGM Presentation |
| 25 May 2022 | OLL Board and Remuneration Changes |
| 23 May 2022 | Resignation of Non-Executive Director |
| 16 May 2022 | OpenLearning Commences Strategic Review |
| 29 April 2022 | Quarterly Activities/Appendix 4C Cash Flow Report |

| Date | Description of Announcement |
|---------------|--|
| 28 April 2022 | Final Director's Interest Notice |
| 27 April 2022 | 2022 AGM Notice of Meeting and Proxy |
| 27 April 2022 | 2022 AGM Letter to Shareholders and Proxy |
| 26 April 2022 | Resignation of Non-Executive Director |
| 8 April 2022 | Investor Presentation |
| 31 March 2022 | Appendix 4G and Corporate Governance Statement |

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.openlearning.com.

6.4 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were

| | (\$) | Date |
|---------|---------|---------------------------|
| Highest | \$0.045 | 18, 26 and 29 August 2022 |
| Lowest | \$0.024 | 1 August 2022 |
| Last | \$0.034 | 21 October 2022 |

6.5 Material Contracts

6.5.1 Underwriting Agreement

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with ECA, pursuant to which ECA has agreed to partially underwrite the Offer (**Underwriting**).

The material terms and conditions of the Underwriting Agreement are summarised below:

| | |
|---------------------|---|
| Underwriting | <p>The Underwriter has agreed to partially underwrite the Offer.</p> <p>To the extent that the Underwriting would result in the Underwriter acquiring a relevant interest in excess of 19.9%, the Underwriting will be reduced by such number of Shares as would result in the Underwriter having a relevant interest of 19.9% following the issue of Shares under the Underwriting.</p> <p>Please refer to section 1.9 of this Prospectus for worked examples of the effect of the Underwriting on the relevant interest of the Underwriter.</p> |
|---------------------|---|

| | |
|---------------------------|--|
| Fees | No fees will be paid to the Underwriter for the Underwriting. |
| Termination Events | <p>The Underwriter may terminate the Underwriting Agreement if any of the following events occur between the date of the Underwriting Agreement and the closing date of the Offer (Termination Events), unless one or more Termination Events have prior to the date of the Underwriting Agreement been announced by the Company on the ASX or otherwise notified to the Underwriter in writing:</p> <ul style="list-style-type: none"> (a) Offer Prospectus: the ASIC makes an order under section 739 of the Corporations Act and such order is not lifted within 30 days; (b) ASX listing: ASX does not give approval for the Shares to be listed for official quotation, or if approval is granted, the approval is subsequently withdrawn, qualified or withheld; (c) Return of capital or financial assistance: the Company or a Related Body Corporate takes any steps to undertake a proposal contemplated under section 257A of the Corporations Act or passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriter; (d) Alteration of capital structure or Constitution: except as described in the Offer Prospectus, the Company alters its capital structure or its Constitution without the prior written consent of the Underwriter such consent not to be unreasonably withheld; (e) Misleading Offer Prospectus: it transpires that there is a statement in the Offer Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Offer Prospectus (having regard to the provisions of section 713 of the Corporations Act) or if any statement in the Offer Prospectus becomes misleading or deceptive or likely to mislead or deceive; (f) Non compliance with disclosure requirements: it transpires that the Offer Prospectus does not contain all the information required by section 713 of the Corporations Act; (g) Withdrawal of consent to Offer Prospectus: any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Offer Prospectus or to be named in the Offer Prospectus, withdraws that consent; (h) Default: the Company is in material default of any of the terms and conditions of this Letter Agreement or breaches any warranty or covenant given or made by it under the Letter Agreement (in any material respect); (i) Event of Insolvency: an Event of Insolvency (as defined in this Letter Agreement) occurs in respect of it or a Related Body Corporate; (j) Prescribed Occurrence: a Prescribed Occurrence (as defined in this Letter Agreement) occurs, other than as |

disclosed in the Offer Prospectus;

- (k) **Suspension of debt payments:** the Company suspends payment of its debts generally; or
- (l) **Change in shareholdings:** a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company and is recommended for approval by a majority of independent directors of the Company.
- (m) **due diligence:** there is a material omission from the results of the due diligence investigation performed in respect of the Offer or the results of the investigation or the verification material are false or misleading;
- (n) **adverse change:** any adverse change occurs which materially impacts or is likely to impact the assets, operational or financial position of the Company or a Related Body Corporate (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a Related Body Corporate);
- (o) **significant change:** a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (p) **investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a Related Body Corporate;
- (q) **extended Force Majeure:** a Force Majeure which prevents or delays an obligation under this Letter Agreement, lasting in excess of 2 weeks occurs;
- (r) **indictable offence:** a director of the Company or any Related Body Corporate is charged with an indictable offence;
- (s) **banking facilities:** the Company's bankers terminating or issuing any demand or penalty notice or amending the terms of any existing facility or claiming repayment or accelerated repayment of any facility or requiring additional security for any existing facility.

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

6.6 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;

- (b) any property acquired or proposed to be acquired by the Company in connection with:
- (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (i) the Offer.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.4.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$400,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's Annual Report.

| Director | Proposed remuneration for financial year ending 31 December 2022 | Remuneration for financial year ended 31 December 2021 |
|---------------------------|--|--|
| Adam Brimo ¹ | 276,250 | 293,018 |
| Spiro Pappas ² | 49,000 | 107,299 |
| Ben Shields ³ | 35,000 | 4,166 |

| Director | Proposed remuneration for financial year ending 31 December 2022 | Remuneration for financial year ended 31 December 2021 |
|------------------------------|--|--|
| John Merakovsky ⁴ | 17,500 | Nil |
| Rupesh Singh ⁵ | 7,300 | Nil |

Notes:

1. Mr Brimo is entitled to receive a base salary of \$250,000 per annum plus superannuation and may receive a bonus of up to \$80,000 based on achieving a selected and verified performance criteria. Remuneration for 2021 comprises salary of \$272,989 (including superannuation) and annual leave entitlements of \$20,029.
2. Mr Pappas reverted to a non-executive role on 17 April 2021 and is entitled to receive director fees of \$49,000 per annum inclusive of superannuation.
3. Mr Shields is entitled to director fees of \$35,000 inclusive of superannuation. Note that Mr Shields was issued 334,903 Shares with a value of \$31,146 in connection with the investment made by Alchemy Tribridge announced on 26 November 2021, which do not form part of his remuneration.
4. Mr Merakovsky was appointed on 1st July 2022 and is entitled to director fees of \$35,000 per annum inclusive of superannuation.
5. Mr Singh was appointed on 14th October 2022 and is entitled to director fees of \$35,000 per annum inclusive of superannuation.

6.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

ECA has acted as the partial underwriter of the Offer. The Company will not pay ECA for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, ECA has not received any fees from the Company for any other services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$20,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$57,690 (excluding GST and disbursements) for legal services provided to the Company.

6.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

ECA has given its written consent to being named as the partial underwriter to the Offer in this Prospectus.

ECA (including its related entities) is a Shareholder of the Company and currently has a relevant interest in 25,734,750 Shares. ECA has indicated that it is its current intention to subscribe for its full Entitlement under the Offer in respect of all of the Shares in which it has a relevant interest

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

6.9 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$36,916 (excluding GST) and are expected to be applied towards the items set out in the table below:

| | \$ |
|---------------------------|---------------|
| ASIC fees | 3,206 |
| ASX fees | 8,710 |
| Legal fees | 20,000 |
| Printing and distribution | 5,000 |
| Total | 36,916 |

6.10 Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



ADAM BRIMO
GROUP CEO & MANAGING DIRECTOR
OPENLEARNING LIMITED

For personal use only

7. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

Company means OPENLEARNING LIMITED (ACN 635 890 390).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

CRN means Customer Reference Number in relation to BPAY®.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Offer.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia, New Zealand or Malaysia.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.

Section means a section of this Prospectus.

Securities means Shares as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Offer (if any).

Shortfall Application Form means the Shortfall Offer application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.6.

Shortfall Securities means those Securities not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

Underwriter means ECA Investments Group Pty Limited ATF The ECA Investments Group Trust.

WST means Western Standard Time as observed in Perth, Western Australia.