

ASX Announcement | 7 March 2023

## OpenLearning signs Distribution and SaaS Reseller Agreement with the Education Centre of Australia (ECA) to expand into India

### Highlights:

- OpenLearning has signed an exclusive Distribution and SaaS Reseller Agreement ('Agreement') with the Education Centre of Australia ('ECA') to expand OpenLearning to India.
- The Agreement is ongoing (i.e. no fixed term) and is subject to performance thresholds after the first 3-years that ECA must meet in order to maintain the Agreement and exclusivity.
- OpenLearning India will encompass the Company's SaaS Platform and a marketplace of short courses, micro-credentials and online degrees primarily from Indian and Australian universities.
- ECA will actively promote the marketplace to learners and the OpenLearning's SaaS Platform to universities in India, Nepal, Sri Lanka and Pakistan.
- The Agreement represents a capital-light expansion model for OpenLearning into new markets by leveraging its scalable technology and global customer-base.

**Sydney, Australia, 7 March 2023:** Global lifelong learning platform **OpenLearning Limited** ('OpenLearning' or 'the Company') (ASX: OLL) is pleased to announce that it has signed a long-term Distribution and SaaS Reseller Agreement with the Education Centre of Australia ('ECA') to launch OpenLearning India Sub-Platform ('OpenLearning India'), which ECA will manage and promote to learners and universities in India, Nepal, Sri Lanka and Pakistan ('Platform Region').

India has one of the world's largest higher education sectors with 1,043 universities, 42,343 colleges, and 11,779 stand-alone institutions<sup>1</sup>. The country also has the largest college-age population, projected to reach 126 million by 2026. However, India's higher education enrolment ratio<sup>2</sup> of 27% lags far behind its peers, with China at 43% and Brazil at 51%. The government in India aims to increase the higher-education enrolment ratio to 50% by 2030. The sector is under significant capacity pressure, making quality online education critical to deliver scalable solutions to the country's higher education needs<sup>3</sup>.

The Agreement enables OpenLearning to enter the market in India with minimal investment, by leveraging ECA's expertise in Australia, India and across the sub-continent. Under the Agreement, ECA will handle sales, marketing, partnerships, course design and distribution of OpenLearning's SaaS Platform, while OpenLearning will establish, operate and provide technical support for the OpenLearning SaaS Platform that will be hosted on Microsoft Azure in India, on the following material terms and conditions:

1. **Fees:** OpenLearning will receive 5% of the gross enrolment fees and any other fees and payments paid to or for the benefit of ECA by Students for OpenLearning India's marketplace.
2. **Revenue:** ECA will leverage its sales and marketing resources to sell OpenLearning's SaaS Platform to universities in the Platform Region, with the revenue from the SaaS Platform subscriptions being shared equally (50/50) between ECA and OpenLearning.

<sup>1</sup> [https://www.education.gov.in/sites/upload\\_files/mhrd/files/statistics-new/aishe\\_eng.pdf](https://www.education.gov.in/sites/upload_files/mhrd/files/statistics-new/aishe_eng.pdf)

<sup>2</sup> Higher education enrolment ratio measures total enrolment in higher education as a percentage of the eligible school-age population

<sup>3</sup> "India Economics Strategy to 2035 – Navigating From Potential to Delivery", Australia Department of Foreign Affairs <https://www.nafsa.org/ie-magazine/2022/4/12/indias-higher-education-landscape>

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3. **Platform Region:** the geographic territory comprising the Republic of India, Nepal, Democratic Socialist Republic of Sri Lanka and the Islamic Republic of Pakistan.
4. **Term:** the Agreement will continue until both parties agree in writing to its termination. The Company has the option to terminate the Agreement in any year after the third anniversary of the Agreement if the aggregate revenue generated by ECA for the Company in the preceding year is less than \$100,000 plus any cloud hosting costs incurred by the Company.
5. **Review:** the parties have agreed that they will review all the fees payable under the Agreement in good faith at least three months before the fifth anniversary of the Agreement.
6. **OpenLearning Costs:** the Company's only ongoing cost during the term of the Agreement will be the cloud hosting fees for OpenLearning India, which the Company expects will not be material at this stage.

There are no minimum OpenLearning SaaS Platform fees payable under the Agreement. In recognition of the investment that ECA will make to launch and grow OpenLearning India, ECA will be the exclusive reseller and distributor of the OpenLearning SaaS Platform in the Platform Region.

The economic materiality of the Agreement is not known at this time as the revenue generated is dependent on the number of learners who choose to purchase courses through the OpenLearning India marketplace and the number of universities in the Platform Region that subscribe to the OpenLearning SaaS Platform. However, OpenLearning views the Agreement as strategically important as it allows the Company to expand into a new market in partnership with a well-established international education group.

Other than the terms outlined above, all other terms of the Agreement are customary for Platform SaaS agreements with universities (a summary of which was included in section 10.3.1 of the Company's IPO prospectus, released to the ASX announcements platform on 10 December 2019).

**OpenLearning Group CEO & Managing Director Adam Brimo said:** "Our partnership with Education Centre of Australia to launch OpenLearning India marks an exciting new chapter in the Company's growth, as we expand our reach to one of the world's most dynamic and rapidly growing education markets. By working with ECA, we will be able to enter the Indian market with a capital-light model while creating new opportunities for our existing partners in Australia and Southeast Asia who may want to gain access to a new market."

**ECA Group CEO, Rupesh K. Singh, said:** "We are excited to utilise OpenLearning's platform to support ECA's expansion strategy in India. Over the past two decades, ECA has built a sales and marketing network across dozens of countries and we have extensive experience in India and across South Asia. We look forward to working closely with OpenLearning to leverage our experience and resources to expand OpenLearning's platform and marketplace to India."

**Ends.**

**Authorised by:**

Adam Brimo

Group CEO & Managing Director

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**Stay up to date with OpenLearning news as it happens:**

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

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

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

**For further information, please contact:****Company****Nova Taylor**

Joint Company Secretary

P: +61 3 8678 4091

E: [investors@openlearning.com](mailto:investors@openlearning.com)

**About OpenLearning**

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

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

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

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

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