

ASX Announcement | 2 January 2024

OpenLearning Acquires Online Higher Education Marketplaces

Sydney, Australia, 2 January 2024: OpenLearning Limited (ASX: OLL), the AI powered SaaS platform for lifelong learning ('OpenLearning' or 'the Company') has signed a binding business and asset sale agreement to acquire three leading Australian higher education marketplaces, expanding the student acquisition capabilities it offers to customers.

Annually, the marketplaces attract over 800,000 users and list over 15,000 courses and degrees from 70 institutions. The websites for the marketplaces are:

- PostGradAustralia.com.au
- TheUniGuide.com.au
- StudyNewZealand.nz

The marketplaces are profitable, generating revenue from listing fees paid by higher education providers to promote their institutions and courses. Customers include Australian universities, private higher education colleges and registered training organisations.

Under the terms of the agreement, the marketplaces will be acquired for a maximum total cash consideration of \$300,000 on a debt-free and cash-free basis. Completion of the transaction is subject to both parties meeting all conditions, within a timeframe of 90 days. A summary of the material terms and conditions of the Asset Sale Agreement is set out in the Schedule to this announcement. Confirmation has been received from the ASX that Listing Rules 11.1.2 and 11.1.3 do not apply to the acquisition of the business assets from the vendors.

The marketplaces are currently owned and operated by Prosple, a leading global internship and graduate job platform. The vendor considers the marketplaces to be outside its core business and it has decided to divest the assets.

Strategic Alignment with OpenLearning:

- 1. Complementary product:** the marketplaces complement OpenLearning's platform and its existing marketplace by providing an additional channel to promote courses delivered by education providers, enhancing the value proposition to customers.
- 2. Cross-selling opportunities:** The acquisition expands OpenLearning's product mix and facilitates clear cross-selling opportunities, leveraging the new and shared customer base to drive revenue growth.
- 3. Value-accretive:** the marketplaces are already a profitable business and will require minimal additional investment for future growth.

OpenLearning Group CEO & Managing Director Adam Brimo said: "We are excited about the opportunity to acquire these value-accretive online higher education marketplaces. This acquisition will enhance our platform's value proposition, diversify our product mix and provide exciting cross-selling opportunities. We have seen growing interest from education providers in the past year to leverage OpenLearning to promote their courses, hence these marketplaces are highly complementary to our current platform offering. We look forward to working with Prosple to complete the transaction within the agreed timeframe."

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Ends.

Authorised by:

Adam Brimo
Group CEO & Managing Director

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/> and follow the latest news here:

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

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About OpenLearning

OpenLearning is an Artificial Intelligence (AI) powered SaaS platform for lifelong learning.

The platform enables education providers to manage all aspects of online learning, harnessing the power of Generative AI to streamline course design, content authoring and education delivery for short courses, micro-credentials and online degrees.

OpenLearning is a trusted partner to more than 220 leading education providers, who have delivered tens of thousands of courses to over 3 million learners through its platform.

With a strong position in the Australian and Malaysian higher education sectors, and a growing presence in Indonesia and India, OpenLearning is revolutionising the way education is accessed and delivered globally.

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

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Schedule – Agreement Terms

Business and Asset Sale Agreement ('Asset Sale Agreement')

The terms of Asset Sale Agreement are summarised below:

1. Consideration: In consideration of the acquisition of the Marketplaces and Business Assets by the Company from Prosple Pty Ltd and Anabranch Pty Ltd ('the Vendors'), the Company will pay the vendors:
 - (a) a cash payment equal to \$200,000 less liabilities not required to utilise the Business Assets or operate the Marketplaces post-completion of the Asset Sale Agreement ('Completion'), payable on Completion; and
 - (b) a cash payment of \$100,000, subject to and conditional upon the renewal and/or extension of certain agreements between Prosple and two key customers.
2. Conditions Precedent: Completion is subject to and conditional upon the satisfaction (or waiver) of the following key conditions precedent:
 - (a) the Company completing due diligence investigations on the Marketplaces, the Business Assets and the Vendors;
 - (b) the Company receiving firm commitments for an equity capital raising to raise not less than \$1,000,000;
 - (c) the Company and Vendors entering into the Licensing Agreement (defined below);
 - (d) the Company having entered into a contracting agreement with an existing contracting staff member of Prosple pursuant to which that staff member has agreed to be engaged as a contractor of the Company effective on and from Completion.

The Asset Sale Agreement includes other clauses (including completion, apportionment, rights and obligations pre and post completion, vendors warranties, confidentiality and restrictions against competition clauses) considered customary for a business and asset sale agreement.

The Company has not currently determined whether it will undertake a capital raising in connection with the acquisition and can unilaterally elect to waive the capital raising condition noted at 2(b) in the event no capital raising is undertaken. In the event the Company determines to proceed with a capital raising, it will release an announcement to update the market accordingly.

Licensing Agreement

The Company has agreed with the Vendors that the intellectual property associate with the Marketplaces (**IP**) will not form part of the Business Assets acquired under the Asset Sale Agreement, on the basis that Prosple requires the IP to carry on its core business. The parties have agreed to enter into a separate licensing agreement ('Licensing Agreement') pursuant to which Anabranch Pty Ltd, the holder of the IP ('the Licensor'), agrees to grant the Company a non-exclusive, perpetual licence to use, modify and exploit the IP for the purpose of conducting the Marketplaces ('Licence').

The terms of the Licensing Agreement are summarised below:

3. Fees: The Licensor and the Company acknowledge and agree that the payments made and agreed to be made under the Asset Sale Agreement include consideration for the grant of the

Licence. Accordingly, the Company is not required to pay any fees or other amounts for the grant of the Licence.

4. IP rights: The Licensor and the Company acknowledge and agree that the Licensor shall own and retain any and all intellectual property rights in the IP and on and from the effective date, the Company shall own and retain any and all intellectual property rights in improvements to the IP.
5. Termination: The Company may terminate the Licensing Agreement at any time with immediate effect by giving notice to the Licensor if, due to the fault of the Licensor, the Company cannot use the IP. In such case, the Licensor must pay back the Consideration under the Asset Sale Agreement on demand by the Company.

Either party may terminate the Licensing Agreement at any time with immediate effect upon a breach by the other party. Other than where the Licensor terminates the Licensing Agreement for breach, the Company shall retain the IP and copies of all data and any audit trails generated during the life of the Licensing Agreement.

6. Restraints: To protect the interests of the Company, the Licensor covenants with and undertakes to the Company that:
 - (a) the Licensor and its related bodies corporate will not, and will use its best endeavours to ensure that its personnel do not, during the term of the Licensing Agreement, licence or otherwise make available the IP to any person who is engaged in business the same or substantially similar to the Business ('Restricted Business'), without the prior written consent of the Company; and
 - (b) the Licensor and its related bodies corporate will not, during the term of the Licensing Agreement, enter into or pursue a transaction with any person who is engaged in Restricted Business ('Third Party Purchaser') which would result in a change of control, unless and until the Company is satisfied that the proposed transaction will not result in a diminution of the Company's rights under the Licensing Agreement or is subject to the Third Party Purchaser providing a covenant and undertaking confirming that it will observe the restraints in paragraph (a).

The Licensing Agreement includes other clauses (including representations and warranties, confidentiality and indemnity clauses) considered customary for a licensing agreement.

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