

ASX Announcement | 29 February 2024

Appendix 4E and Preliminary Final Report

Sydney, Australia, 29th February 2024: OpenLearning Limited, the AI powered SaaS platform for lifelong learning ('OpenLearning' or 'the Company') (ASX: OLL) attaches the following documents to this announcement:

- Appendix 4E; and
- Preliminary Final Report.

This release has been approved by the Board of Directors.

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/> 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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OpenLearning Limited ABN 18 635 890 390 and Controlled Entities

Financial report for the year ended 31 December 2023

APPENDIX 4E – PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Results for Announcement to the Market

Key Information	2023 \$	2022 \$	Inc / (Dec) %
Revenue from ordinary activities	2,293,779	3,167,310	(27.6)
Revenue comprises of the following:			
Platform SaaS fees	1,845,865	1,644,233	12.3
Program delivery	287,280	1,035,951	(72.3)
Marketplace sales	792,949	552,217	43.6
Services sales	59,029	395,624	(85.1)
Gross sales	2,985,123	3,628,025	(17.7)
Less: Sharing of revenue with course Creators	(691,344)	(460,715)	(50.1)
Revenue	2,293,779	3,167,310	(27.6)
Loss after tax from ordinary activities attributable to owners	(4,421,750)	(5,648,308)	(21.7)
Net loss attributable to owners	(4,421,750)	(5,648,308)	(21.7)

Losses per share

	2023 cents	2022 cents
Basic losses per share	(1.65)	(2.55)
Diluted losses per share	(1.65)	(2.55)

Dividends

No dividends have been paid during the year and the Company does not propose to pay any final dividends.

Commentary on the Results for the Year

Results for financial year 2023 ("FY2023"):

- gross sales of \$2,985,122, a decrease of 17.7% year-on-year ("YoY");
- revenue of \$2,293,777, a decrease of 27.6% YoY;
- loss after tax of \$(4,421,750), a decrease in losses of 21.7% YoY;
- loss before impairments, retrenchment costs and financing of \$(3,831,549), a decrease of 31.4% YoY.

Overview

OpenLearning offers an AI-powered lifelong learning platform that enables education providers to design and deliver short courses, micro-credentials and qualifications.

OpenLearning is building its client base by empowering education providers to operate and enter the online lifelong learning market with a suite of products, including:

- **Platform Subscription:** Providing an end-to-end learning platform and tools on a SaaS model to enable education providers to design, deliver and sell courses online.
- **Marketplace:** Providing a marketplace to clients to drive network effects, increase brand awareness for education providers and accelerate platform adoption.

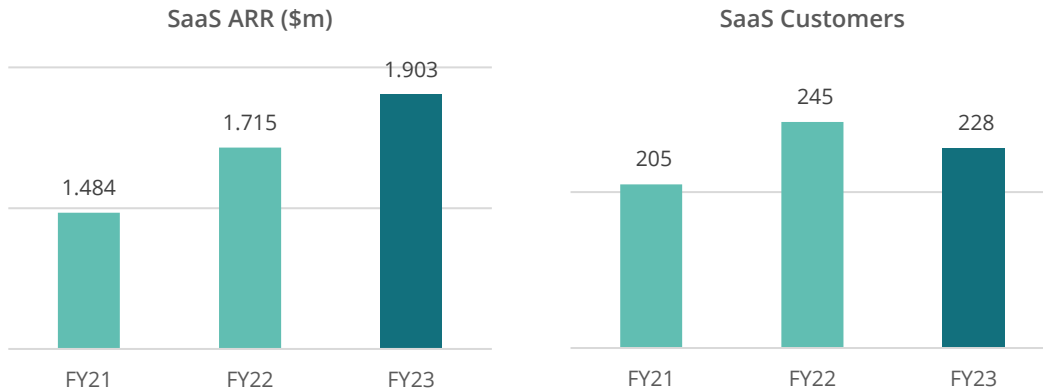
The advent of new generative AI tools in the past year has created substantial opportunities for platform providers. The Group has moved quickly to position itself to capitalise on the interest in AI by developing and launching a wide range of generative AI powered features in FY2023.

OpenLearning's new AI tools are already being used by over 60% of our customers and are now the primary driver of new business and interest from prospective customers.

OpenLearning ended FY2023 with 228 Platform Subscription customers and over 3.6 million learners, making it one of Australia and Southeast Asia's largest lifelong learning platforms.

Financial highlights for FY2023

The Group is pleased to report that revenue from its core Platform Subscription division continued to grow. In FY2023, SaaS annual recurring revenue (ARR)¹ grew by 11% and SaaS revenue grew by 12.3% while average revenue per customer grew 19% to \$8,347.



The Group's gross sales, which includes all divisions, decreased by 17.7% YoY to \$2,985,122. After deducting revenue shared with education providers, revenue declined by 27.6% YoY to \$2,293,777.

The Group's operating loss before impairments, retrenchment costs and financing costs declined 31.4% YoY to \$3,831,549 as a result of extensive cost optimisation exercise and improving operating efficiency. In January 2024, the Company implemented a further cost reduction exercise that is expected to result in further cost savings from Q2 FY24.

¹ Annualised recurring SaaS revenue, calculated by utilising the generally accepted industry standard, which involves multiplying the monthly accrued SaaS revenue in the month at the end of the quarter by 12 (months). The ARR calculation does not take into account the future expiry of the term of any contract under which SaaS revenue is generated or any customer lost during the relevant month.

The Group's Program Delivery division was impacted by lower demand for Australian international education from its partner's target markets in FY2023. In February 2024, the Group and UNSW College mutually agreed to discontinue the TPO.

In FY2023, The Group decided made the strategic decision to discontinue its Learning Services business and focus on its Platform SaaS offering. The launch of the OpenLearning AI Assistant is also expected to reduce demand for these services as it will save education providers significant time in developing courses.

Successful Launch of New AI Features

At the end of December 2023, the Company launched its most significant AI-feature, a ground-breaking AI-powered course builder that combines existing AI functionality with new capabilities to generate an entire course using AI and based on input from education providers.

The AI Course Builder is expected to save significant time and resources for education providers during course development. It offers a step-by-step AI wizard that creates course objectives, learning outcomes, course structure, modules and content, all tailored based on the input provided by educators.

The AI Course Builder is the latest addition to the Company's AI Assistant, which comprises three distinct features: image generation, content generation that generates 14 types of content, and learning activity creation that produces 17 types of activities. These tools are automatically applied to the topic and information provided by the educator by using OpenLearning's proprietary prompt layer on top of GPT-4.

By leveraging OpenLearning's unique approach to active learning and social constructivism, these AI-driven tools generate course content and learning activities aligned with OpenLearning's educational philosophy. The embedded generative AI also provides tailored suggestions to educators during the course design process, helping them create more engaging and effective learning experiences.

Over 60% of OpenLearning's customer base have actively engaged with the AI Assistant. The incorporation of Generative AI is anticipated to enhance OpenLearning's value proposition, fostering increased utilisation among existing subscribers and attracting subscriptions from new education providers, driving higher SaaS platform subscription revenue.

Expansion to India with ECA

The Company signed a long-term Distribution and SaaS Reseller Agreement with the Education Centre of Australia ('ECA') in March 2023 to launch OpenLearning India ('Agreement'), which ECA will manage and promote to learners and universities in India, Nepal, Sri Lanka and Pakistan ('Platform Region') [ASX Announcement 7th March 2023]. Under the Agreement, OpenLearning will earn 5% of the gross enrolment fees in OpenLearning India's marketplace and 50% of Platform SaaS fees in the Platform Region.

ECA started promoting OpenLearning in India with two large events in early July 2023 in New Delhi and Hyderabad that attracted hundreds of senior executives from India universities, Australian and Indian government officials and local media organisations. The Company's platform in the market is named 'OpenLearning Bharat' and is already attracting interest from local universities.

Since the launch of OpenLearning Bharat, the Company has engaged in extensive collaboration with ECA to enrich its Indian marketplace. This collaboration has resulted in the inclusion of over 200 courses from global education providers, and it has played a pivotal role in supporting sales initiatives across India. While the Company foresees a steady expansion of its business in India, early indicators are promising, and new customer partnership conversations are ongoing.

Agreement of Acquire Higher Education Marketplaces

Post the end of FY2023, the Company 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. [ASX Announcement 2nd Jan 2024]

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](https://www.postgradaustralia.com.au)
- [TheUniGuide.com.au](https://www.theuni.com.au)

- StudyNewZealand.nz

The marketplaces are profitable, generating revenue from listing fees paid by higher education providers to promote their institutions and courses. The marketplace's customers include Australian universities, private higher education colleges and registered training organisations, providing clear cross-selling opportunities.

The Company believes this acquisition will strengthen OpenLearning's value proposition to education providers and complement the existing platform and marketplace by providing an additional channel to promote courses delivered by education providers.

Conclusion

The Group made substantial progress in FY2023 to turn around the business by reducing its cost-base by 30%, growing SaaS revenue by 12.1%, deploying industry-leading Generative AI tools and beginning its expansion to India. While much more work remains to be done, the Group is focused on reaching break-even and growing its SaaS revenues. The Group is grateful for the support of its partners and shareholders, and for the hard work and dedication of employees.

Statement of Profit or Loss and Other Comprehensive Income with Notes to the Statement

Refer to the 31 December 2023 financial statements and accompanying notes for OpenLearning Limited.

Statement of Financial Position with Notes to the Statement

Refer to the 31 December 2023 financial statements and accompanying notes for OpenLearning Limited.

Statement of Cash Flows with Notes to the Statement

Refer to the 31 December 2023 financial statements and accompanying notes for OpenLearning Limited.

Statement of Retained Earnings Showing Movements

Refer to the 31 December 2023 financial statements and accompanying notes for OpenLearning Limited.

Net Tangible Assets per share

	2023	2022
	\$/share	\$/share
Net tangible assets per share	(0.013)	0.003

Control Gained or Lost over Entities in the Year

There were no acquisition or disposal of controlled entities during FY2023.

Investment in Associates and Joint Ventures

The Group does not have investment in Associates and Joint Ventures.

Status of Audit

This report is based on accounts which are in the process of being audited. The Audited Annual Report is expected to be released by 31 March 2024.

The Company expects that the audit report will include an emphasis of matter paragraph highlighting a material uncertainty relating to the Company's ability to continue as a going concern.

OpenLearning Limited and Controlled Entities
Preliminary Final Report

Consolidated statement of profit or loss and other comprehensive income
For the financial year ended 31 December 2023

	Note	2023 \$	2022 \$
Revenue	2	2,293,779	3,167,310
Other income	3	89,194	104,424
Items of expense			
Web-hosting and other direct costs		(663,903)	(1,105,391)
Employee benefits expense		(3,348,870)	(5,137,120)
Depreciation and amortisation		(393,432)	(367,385)
Promotional and advertising		(186,555)	(234,886)
Professional services		(910,021)	(1,248,465)
General and administrative costs		(711,741)	(764,119)
		<u>(3,831,549)</u>	<u>(5,585,632)</u>
Capital Loss		–	(58,222)
Impairment Loss	8	(458,492)	–
Retrenchment Costs		(74,315)	–
Finance income		5,320	2,864
Finance expenses		(62,714)	(7,318)
		<u>(4,421,750)</u>	<u>(5,648,308)</u>
Loss before tax	4	(4,421,750)	(5,648,308)
Income tax	5	–	–
		<u>(4,421,750)</u>	<u>(5,648,308)</u>
Loss for the year			
Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		(6,250)	56,805
		<u>(4,428,000)</u>	<u>(5,591,503)</u>
Total comprehensive loss for the year			
Loss for the year attributable to:			
Owners of the Company		(4,421,750)	(5,648,308)
		<u>(4,421,750)</u>	<u>(5,648,308)</u>
Total comprehensive loss attributable to:			
Owners of the Company		(4,428,000)	(5,591,503)
		<u>(4,428,000)</u>	<u>(5,591,503)</u>
Losses per share attributable to owners of the Company			
Basic losses per share (cents)	6	(1.65)	(2.55)
Diluted losses per share (cents)	6	(1.65)	(2.55)

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

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**Consolidated statement of financial position
As at 31 December 2023**

	Note	2023 \$	2022 \$
ASSETS			
Current assets			
Trade and other receivables		478,165	533,649
Prepayments		164,136	170,883
Cash and cash equivalents	7	1,103,418	2,204,639
		1,745,719	2,909,171
Non-current assets			
Furniture, fittings and equipment		32,854	35,413
Intangible assets	8	1,557,581	1,636,762
		1,590,435	1,672,175
Total assets		3,336,154	4,581,346
LIABILITIES			
Current liabilities			
Trade and other payables		766,822	690,656
Provisions		436,377	363,984
Deferred revenue		1,092,971	1,109,300
		2,296,170	2,163,940
Non-current liabilities			
Borrowings		3,050,578	–
		3,050,578	–
Total liabilities		5,346,748	2,163,940
Net liabilities		(2,010,594)	2,417,406
(DEFICIT) / EQUITY			
(Deficit) / Equity attributable to the owners of the Company			
Share capital	9	36,263,511	36,263,511
Accumulated losses		(39,994,037)	(35,572,287)
Reserves	10	1,719,932	1,726,182
Total (deficit) / equity		(2,010,594)	2,417,406

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

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**Consolidated statement of changes in equity
For the financial year ended 31 December 2023**

	Share Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Opening balance at 1 January 2023	36,263,511	1,726,182	(35,572,287)	2,417,406
Loss for the year	–	–	(4,421,750)	(4,421,750)
<u>Other comprehensive income</u>				
Foreign currency translation, representing total other comprehensive loss for the year	–	(6,250)	–	(6,250)
Total comprehensive loss for the year	–	(6,250)	(4,421,750)	(4,428,000)
Closing balance at 31 December 2023	36,263,511	1,719,932	(39,994,037)	(2,010,594)

	Share Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Opening balance at 1 January 2022	32,495,431	2,074,326	(30,444,116)	4,125,641
Loss for the year	–	–	(5,648,308)	(5,648,308)
<u>Other comprehensive income</u>				
Foreign currency translation, representing total other comprehensive loss for the year	–	56,805	–	56,805
Total comprehensive loss for the year	–	56,805	(5,648,308)	(5,591,503)
Issuance of ordinary shares :				
- new ordinary shares	3,883,268	–	–	3,883,268
Equity issuance costs	(115,188)	115,188	–	–
Transfer of fair value of expired options	–	(436,993)	436,993	–
Transfer of fair value of lapsed performance rights	–	(83,144)	83,144	–
Closing balance at 31 December 2022	36,263,511	1,726,182	(35,572,287)	2,417,406

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

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**Consolidated statement of cash flows
For the financial year ended 31 December 2023**

	Note	2023 \$	2022 \$
Operating activities			
Receipts from customers		3,160,649	3,840,031
Payments to suppliers and employees		(6,512,831)	(9,359,075)
Proceeds from other income		35,075	110,132
Net cash flows used in operating activities	12	<u>(3,317,107)</u>	<u>(5,408,912)</u>
Investing activities			
Purchase of furniture, fittings and equipment, net of disposal		(10,782)	(12,194)
Purchase of intangible assets		(767,637)	(726,741)
Net cash flows used in investing activities		<u>(778,419)</u>	<u>(738,935)</u>
Financing activities			
Proceeds from issuance of equity shares		–	3,883,268
Proceeds from borrowing		3,000,000	–
Repayment of lease liabilities		–	(123,598)
Net cash flows generated from financing activities		<u>3,000,000</u>	<u>3,759,670</u>
Net (decrease) / increase in cash and cash equivalents		(1,095,526)	(2,388,177)
Effect of exchange rate changes on cash and cash equivalents		(5,695)	4,253
Cash and cash equivalents at beginning of the year		2,204,639	4,588,563
Cash and cash equivalents at end of the year	7	<u><u>1,103,418</u></u>	<u><u>2,204,639</u></u>

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

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Notes to the financial statements – 31 December 2023

The consolidated financial statements and notes represent those of OpenLearning Limited (the “Company”) and its controlled entities (the “Group”). OpenLearning Limited is a listed public company, incorporated and domiciled in Australia.

1. Summary of significant accounting policies

1.1 Basis of preparation

These general purpose consolidated financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

1.2 Going concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realization and the settlement of liabilities in the ordinary course of business.

The Group incurred a net loss for the year of \$4,421,750 (2022: \$5,648,308) and net operating cash outflows of \$3,317,107 (2022: \$5,408,912). As at 31 December 2023 the Group had accumulated losses of \$39,994,037 (31 December 2022: \$35,572,287).

As at 31 December 2023, the Group has net current assets of \$(2,296,170) (31 December 2022: \$745,231) and cash and cash equivalents of 1,103,418 (31 December 2022: \$2,204,639).

The Group has prepared a cashflow forecast for the next 12 months that indicates a risk that the Group may not meet all its payment obligations. However, the directors believe that it is appropriate for the financial statements to be prepared on a going concern basis after consideration of the following factors:

- increasing traction in revenue growth of the Platform Subscription segment with improved gross margins and increasing cash inflow from this segment;
- implementation of cost reduction initiatives in January 2024 to further reduce operating cash outflows;
- active management of discretionary expenditure in line with funds availability;
- ECA has agreed to make an additional \$2 million available under the loan facility to support the Company’s objectives.
- Subsequent to year-end, ECA has agreed to amend the loan facility to allow the Group to convert the outstanding amount of the loan into shares at its discretion prior to the repayment date.

Accordingly, the directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements. In the event that the Group is unsuccessful in implementing the above stated objectives, a material uncertainty exists, that may cast significant doubt on the Group’s ability as a going concern and its ability to recover assets, and discharge liabilities in the normal course of business and at the amount shown in the financial statements.

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Notes to the financial statements – 31 December 2023

1. Summary of significant accounting policies (cont'd)

1.2 *Going concern (cont'd)*

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

1.3 *Principles of consolidation*

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (OpenLearning Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Where applicable, equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

The consolidated financial statements of the Group have been prepared in accordance with the pooling of interest method as the Group is a continuation of the existing business of OpenLearning Global Pte Ltd and its subsidiaries. The assets and liabilities of the combining entities are reflected at their carrying amounts as reported in the consolidated financial statements. Any difference between the consideration paid/transferred and the equity acquired is reflected within equity as a common control reserve. The consolidated income statements and consolidated statements of comprehensive income reflect the results of the combining entities for the entire periods under review, irrespective of when the combination took place. Apart from the above, subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

1.4 *Revenue*

Revenue arises from Platform SaaS fees, Program delivery, Marketplace sales and Services sales.

To determine recognition of revenue, the Group: (i) identifies the contract with a customer, (ii) identifies the performance obligations in the contract, (iii) determines the transaction price, (iv) allocates the transaction price to the performance obligations and (v) recognises revenue when or as each performance obligation is satisfied.

Revenue is recognised either at a point in time or over time, when or as the Group satisfies performance obligations by transferring the promised goods or services to its customers.

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Notes to the financial statements – 31 December 2023

1. Summary of significant accounting policies (cont'd)

1.4 Revenue (cont'd)

(a) *Platform SaaS fees*

Revenue from platform SaaS subscription fees is recognised over the period during which customers are granted access to the platform.

(b) *Program delivery*

Revenue from program delivery is recognised over the period of the study program.

(c) *Marketplace sales*

Revenue from marketplace sales is recognised when customers subscribe for the courses and the course is delivered. For courses sold on behalf of third parties, revenue is recognised based on revenue sharing arrangements, if any.

(d) *Services sales*

Revenue from the provision of services is recognised over time reflecting the progress for the completion of a performance obligation for which the Group has an enforceable right to payment.

Platform SaaS, Program delivery and Services sold to customers in advance, which are yet to be utilised, are recognised initially in the balance sheet as deferred income and released to revenue in line with the above recognition criteria.

1.5 New and Amended Accounting Policies Adopted by the Group

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. Revenue

	Group	
	2023	2022
	\$	\$
Revenue from contracts with customers		
Platform SaaS fees	1,845,865	1,644,233
Program delivery	287,280	1,035,951
Marketplace sales	101,605	91,502
Services sales	59,029	395,624
	2,293,779	3,167,310

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Notes to the financial statements – 31 December 2023

3. Other income

	Group	
	2023	2022
	\$	\$
Government grant	55,892	97,106
Gain on lease modification	–	1,005
Others	33,302	6,313
	89,194	104,424

4. Loss for the year

Loss before income tax from continuing operations includes the following specific expenses:

	Group	
	2023	2022
	\$	\$
Web-hosting and other direct costs		
- web-hosting costs	551,442	609,688
- program delivery licence fee	79,167	469,700
Depreciation and amortisation		
- depreciation on furniture, fittings and equipment	13,063	19,885
- depreciation on right-of-use assets	–	110,199
- amortisation of intangible assets	380,369	237,801
Professional services		
- contractors	546,458	663,814
General and administrative costs		
- write-off / loss on disposal of furniture, fittings and equipment	–	20,691
- foreign currency translation losses	27,943	11,090
- impairment of trade receivables	16,937	15,940
- travelling costs	74,644	46,385

5. Income tax

There are no income tax expenses for the current and previous financial years as the Group does not have taxable profits.

6. Losses per share

Both the basic and diluted losses per share have been calculated by dividing the loss for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The reconciliation of the weighted average number of ordinary shares for the purposes of calculating the diluted losses per share is as follows:

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Notes to the financial statements – 31 December 2023

6. **Losses per share (cont'd)**

	31 December 2023	31 December 2022
Weighted average number of ordinary shares for basic losses per share computation	267,869,076	221,217,695
Weighted average number of ordinary shares for diluted losses per share computation	267,869,076	221,217,695

7. **Cash and cash equivalents**

	Group	
	2023	2022
	\$	\$
Cash at bank and on hand	1,086,743	2,186,905
Cash with online payment providers	16,675	17,734
	<u>1,103,418</u>	<u>2,204,639</u>

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Notes to the financial statements – 31 December 2023

8. Intangible assets

	Domain names and trademarks	Goodwill	Platform develop- ment	Learning platform software	Course design	Total
	\$	\$	\$	\$	\$	\$
2023						
Cost						
At 1 January 2023	66,587	24,500	802,851	374,628	767,769	2,036,335
Additions	–	–	767,637	–	–	767,637
Exchange difference	–	–	–	(14,722)	–	(14,722)
At 31 December 2023	66,587	24,500	1,570,488	359,906	767,769	2,789,250
Accumulated amortisation						
At 1 January 2023	–	–	84,677	131,120	183,776	399,573
Amortisation for the year	–	–	217,648	37,219	125,502	380,369
Impairment*	–	–	–	–	458,492	458,492
Exchange difference	–	–	(383)	(6,381)	(1)	(6,765)
At 31 December 2023	–	–	301,942	161,958	767,769	1,231,669
Net carrying amount	66,587	24,500	1,268,546	197,948	–	1,557,581
2022						
Cost						
At 1 January 2022	44,220	24,500	179,475	372,334	686,771	1,307,300
Additions	22,367	–	623,376	–	80,998	726,741
Exchange difference	–	–	–	2,294	–	2,294
At 31 December 2022	66,587	24,500	802,851	374,628	767,769	2,036,335
Accumulated amortisation						
At 1 January 2022	–	–	–	93,084	68,550	161,634
Amortisation for the year	–	–	84,677	37,398	115,226	237,301
Exchange difference	–	–	–	638	–	638
At 31 December 2022	–	–	84,677	131,120	183,776	399,573
Net carrying amount	66,587	24,500	718,174	243,508	583,993	1,636,762

*The impairment assessment, conducted as per AASB136, reflects the uncertainty surrounding the CS101 & OpenCreds and the cancellation of the UNSW Transition Program Online. Consequently, an impairment loss has been recognised based on their respective net book values.

9. Share capital

	31 December 2023	31 December 2022
	\$	\$
267,869,075 (31 Dec 2022: 267,869,075) fully paid ordinary shares	36,263,511	36,263,511

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9. Share capital (cont'd)

9.1 Movements in ordinary shares

	Group			
	2023		2022	
	No. of shares	\$	No. of shares	\$
Issued and fully paid ordinary shares:				
At 1 January	267,869,075	39,179,029	197,358,300	35,295,761
Issuance of shares during the year :				
- placement of shares	–	–	70,510,775	3,883,268
At 31 December	267,869,075	39,179,029	267,869,075	39,179,029
Equity issuance costs				
At 1 January	–	(2,915,518)	–	(2,800,330)
Costs arising from equity issuance	–	–	–	(115,188)
At 31 December	–	(2,915,518)	–	(2,915,518)
Total ordinary shares at 31 December	267,869,075	36,263,511	267,869,075	36,263,511

9.2 Movements in unquoted options over ordinary shares

Exercise period	Exercise price per share	Number on issue at 1 Jan 2023	Issued / (Lapsed)	Number on issue at 31 Dec 2023
On or before 31 August 2024	\$0.30	250,000	–	250,000
On or before 27 April 2025	\$0.30	1,000,000	–	1,000,000
Total unquoted options		1,250,000	–	1,250,000

* exercise of the options is subject to escrow periods.

9.3 Performance rights

950,000 performance rights were granted on 1 October 2020 to key management personnel of the Company. These performance rights are exercisable to 950,000 ordinary shares in the Company with Nil consideration over 3 years with 1/3 vesting annually on the condition that the Company's volume weighted average share price over any 30 consecutive trading days is equal to or higher than 55 cents.

600,000 of these performance rights have lapsed upon the leaving of a key management person of the Group.

None of these performance rights vested during the financial year 2023

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10. Reserves

	Group	
	2023	2022
	\$	\$
Foreign currency translation reserve	19,588	25,838
Common control reserve	1,650,477	1,650,477
Share option reserve	49,867	49,867
	1,719,932	1,726,182

11. Operating segments

11.1 Segment revenue

The Group has disaggregated revenue into various categories in the following table. The revenue is disaggregated by geographical market, product/service lines and timing of revenue recognition.

	Year ended 31 December								Total	
	Platform SaaS		Program delivery		Services		Marketplace		2023	2022
	2023	2022	2023	2022	2023	2022	2023	2022	\$	\$
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Geographical markets										
Australia	1,326,527	1,153,617	287,280	1,035,951	52,969	305,094	61,074	87,133	1,727,850	2,581,795
Malaysia	519,338	489,051	-	-	6,060	90,530	(4,320)	2,137	521,078	581,718
Singapore	-	1,565	-	-	-	-	44,851	2,232	44,851	3,797
	1,845,865	1,644,233	287,280	1,035,951	59,029	395,624	101,605	91,502	2,293,779	3,167,310
Timing of revenue recognition										
Products and services transferred to customers:										
At a point in time	-	-	-	-	-	-	101,605	91,502	101,605	91,502
Over time	1,845,865	1,644,233	287,280	1,035,951	59,029	395,624	-	-	2,192,174	3,075,808
	1,845,865	1,644,233	287,280	1,035,951	59,029	395,624	101,605	91,502	2,293,779	3,167,310

11.2 Segment performance and assets/liabilities

The Group has identified its operating segments based on the internal reports that are reviewed and used by management in assessing performance and determining the allocation of resources.

The Group has in previous financial years reported its operating segments on the basis of geographical locations i.e. Australia, Malaysia, Singapore and Corporate (based in Australia). The Group has now revised its reportable operating segments on the basis of revenue and cost originations, as follows:

- (a) Australia
- (b) South East Asia
- (c) Global Platform
- (d) Global Services
- (e) Corporate Overheads

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11. Operating segment (cont'd)

11.2 Segment performance and assets/liabilities (cont'd)

	Australia \$	South East Asia \$	Global Platform \$	Global Services \$	Corporate Overheads \$	Total \$
2023						
Revenue:						
External sales	1,541,945	631,025	120,809	–	–	2,293,779
Segment results:						
Web-hosting and other direct costs	(157,383)	–	–	(506,520)	–	(663,903)
Employees benefit expenses	(1,065,984)	(460,586)	–	(958,198)	(864,102)	(3,348,870)
Depreciation and amortisation	(136,201)	(51,195)	–	(206,036)	–	(393,432)
Promotional and advertising	(171,086)	(15,469)	–	–	–	(186,555)
Professional services	(47,951)	(113,268)	–	(461,891)	(286,911)	(910,021)
General and administration	(634,696)	(33,271)	–	(296,046)	(248,735)	(1,212,748)
Segment profit/(loss)	(671,356)	(42,764)	120,809	(2,428,691)	(1,399,748)	(4,421,750)
Segment assets	2,014,569	491,684	–	–	829,901	3,336,154
Segment liabilities	1,501,051	396,534	–	–	3,449,163	5,346,748
	Australia \$	South East Asia \$	Global Platform \$	Global Services \$	Corporate Overheads \$	Total \$
2022						
Revenue:						
External sales	2,406,514	612,336	148,460	–	–	3,167,310
Segment results:						
Web-hosting and other direct costs	(495,702)	–	–	(609,689)	–	(1,105,391)
Employees benefit expenses	(2,396,162)	(628,543)	–	(1,075,289)	(1,037,126)	(5,137,120)
Depreciation and amortisation	(228,494)	(54,214)	–	(84,677)	–	(367,385)
Promotional and advertising	(226,253)	(8,633)	–	–	–	(234,886)
Professional services	(204,867)	(122,106)	–	(515,479)	(406,013)	(1,248,465)
General and administration	(123,532)	(53,543)	–	(280,028)	(265,268)	(722,371)
Segment profit/(loss)	(1,268,496)	(254,703)	148,460	(2,565,162)	(1,708,407)	(5,648,308)
Segment assets	2,624,402	468,143	–	–	1,488,801	4,581,346
Segment liabilities	1,374,051	397,042	–	–	392,847	2,163,940

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12. **Cash flow information**

Reconciliation of cash flows from operating activities with loss after income tax:

	Group	
	2023	2022
	\$	\$
Loss after tax	(4,421,750)	(5,648,308)
Non-cash flows in loss for the year:		
Depreciation and amortisation	393,431	367,385
Write-off / Loss on disposal of furniture, fittings and equipment	–	21,173
Unrealised exchange (gain) / loss	7,681	50,823
Gain on lease modification	–	(1,374)
Impairment	458,492	–
Changes in assets and liabilities:		
Decrease in trade and other receivables	201,590	(182,498)
Increase in trade and other payables	43,449	(16,113)
Net cash flows used in operating activities	(3,317,107)	(5,408,912)

13. **Subsequent events**

ECA has agreed to make an additional \$2 million available under the loan facility to support the Company's objectives.

ECA has agreed to amend the loan facility to allow the Group to convert the outstanding amount of the loan into shares at its discretion prior to the repayment date.