

ASX Announcement | 26 November 2021

OpenLearning secures strategic investment from global tech-growth firm and announces rights issue

Investment Highlights:

- Alchemy Tribridge Sapphire Pty Ltd ('ATL' or 'Alchemy Tribridge'), an investment group comprised of principals experienced in driving outsized returns in technology businesses, will take a position in OpenLearning of up to 19.9%
- ATL will invest \$2.9 million in a placement, priced at \$0.093 a share, and also be issued an additional \$0.6 million worth of options with a strike price of \$0.093 a share and an expiry date of 30 September 2022
- ATL will actively support the OpenLearning Board and CEO in the next phase of growth to capture a greater share of the lifelong learning market with the appointment of Mr Ben Shields, one of the Founding Partners of ATL, to the Company's Board on completion of this placement
- Eligible OpenLearning shareholders will be able to invest alongside ATL through a non-renounceable rights issue at the same price per share to raise up to \$3.06 million in new capital. ATL is expected to participate in the rights issue, providing an additional \$0.48 million in capital
- The total capital raised of up to \$5.96 million through the placement to ATL and rights issue will be used to position OpenLearning for a step-change in growth

Sydney, Australia, 26 November 2021: Global lifelong learning platform **OpenLearning Limited** ('OpenLearning' or 'the Company') (ASX: OLL) is pleased to announce that it has secured a strategic investment from Alchemy Tribridge Sapphire Pty Ltd ('ATL' or 'Alchemy Tribridge'), a global investment group comprised of principals experienced in working with technology businesses to drive outsized growth.

OpenLearning is also pleased to announce its intention to undertake a non-renounceable rights issue to the Company's eligible shareholders to raise circa \$3.06 million, in addition to the \$2.9 million placement to ATL. The entitlement offer gives eligible shareholders with a registered address in Australia, New Zealand, Malaysia or Singapore who hold shares on the record date the opportunity to invest alongside ATL in OpenLearning at the same price per share.

ATL will be entitled to participate in the rights issue, provided that it will not acquire a relevant interest in OpenLearning in excess of 19.9% through its participation in the rights issue. ATL has indicated that it will take up its full entitlement of \$0.48 million, bringing its total investment in OpenLearning to \$3.38 million.

The \$5.96 million capital raising will increase the Company's cash at bank to close to \$8.5 million, providing it with a strong balance sheet to capture opportunities for a step change in growth over the coming years. OpenLearning is already gaining traction with its current investments in the technology platform and program delivery segments, resulting in platform revenue increasing 186% YoY in Q3 FY21.

ATL becomes OpenLearning's largest shareholder post placement

The \$2.9 million placement to ATL will see OpenLearning issue approximately 31,182,796 new shares at an issue price of \$0.093 per share. This price represents a 3.33% premium to the last close price. This will make ATL the largest shareholder on OpenLearning's register. A summary of the material terms and conditions of the subscription agreement entered into with ATL is set out in Annexure A.

In addition to the initial \$2.9 million invested, ATL will be granted 6,422,908 options to acquire shares in OpenLearning at a strike price of \$0.093 per share. If these options are exercised ATL would move to ownership of 19.51% of OpenLearning. These options have an expiry date of 30 September 2022. In addition, the Company will issue 2,150,537 shares to certain nominees of ATL as facilitation shares in connection with the placement. The issue of shares and options to ATL will be conducted within OpenLearning's placement capacity of 25% of existing shares on issue (refer to Appendix 3B released contemporaneous with this announcement for further details).

ATL to assist with growth, including a seat on OpenLearning's Board

The ATL team will bring its world-class capabilities and actively work with OpenLearning to support the next phase of growth. In particular, several team members will take a direct role with OpenLearning.

Mr Ben Shields, a Founding Partner of ATL, will be appointed to OpenLearning's board on completion of the capital raising.

Mr Michael Hunter, a Founding Partner and COO of ATL and formerly from Macquarie Capital, will be engaged directly by OpenLearning to help support and build OpenLearning's corporate development capability.

Mr Greg Hayes, a Founding Partner of ATL and former CFO of Brambles, will bring his ASX experience to provide support to OpenLearning as it scales.

Rights issue gives shareholders an opportunity to invest alongside ATL

The planned circa \$3.1m non-renounceable rights issue will entitle eligible shareholders to subscribe for 1 ordinary share for every 6 shares held on the Record Date. These shares will also be priced at \$0.093 per share. Shareholders will also have the opportunity to apply for any shortfall shares under the rights ('Shortfall') before the offer is closed. Shares issued under the rights issue will rank equally with existing ordinary shares from the date of issue. The Record Date for this issue will be the 3rd December 2021, giving Alchemy Tribridge the opportunity to also participate in the rights issue.

Current OpenLearning directors Kevin Barry, Adam Brimo and David Buckingham have committed to taking up some or all of their entitlements.

The anticipated timeline of key events relating to the placement and non-renounceable rights issue is outlined in the following table:

Issue of shares and options to ATL	29 th November 2021
Ex Date	2 nd December 2021
Record Date	3 rd December 2021
Offer booklet sent to eligible shareholders and entitlement offer opens	6 th December 2021
Entitlement offer closes	17 th December 2021
Securities quoted on a deferred settlement basis	20 th December 2021
Results of the entitlement offer announced	20 th December 2021
Issue of new shares under the entitlement offer	21 st December 2021

Post raisings, OpenLearning will have ample funding for growth initiatives

Post completion of the Capital Raising, the Company will have a strong balance sheet with the funding required for a step-change in growth. OpenLearning will be well positioned to target growth in Australia's \$7.5 billion lifelong learning market and enable further expansion in Southeast Asia.

OpenLearning is already making inroads into the market with a number of key initiatives, including:

- Provision of a market-leading, end-to-end platform for education providers to move online;
- Investment in product-driven growth to increase sales and marketing efficiency;
- The launch of the UNSW Transition Program Online, which is now being accepted by universities in Australia, United Kingdom and New Zealand;
- Entry into the corporate up-skilling market with Computer Science 101 (CS101) and OpenCreds; and
- Expansion of its SaaS model's addressable market by targeting new sectors and geographies.

Working with the ATL team, OpenLearning will build on its existing growth initiatives to add to the Company's impressive Q3 2021 performance, when platform revenues surged by 186% YoY.

About Alchemy Tribridge

Alchemy Tribridge (ATL) is an investment group comprised of principals experienced in driving outsized returns in technology businesses globally.

ATL's core model focuses on the emerging field of 'Venture Architecture', which creates value by acquiring and 'reimagining' multiple assets to win in a new market. It does this by bringing a unique blend of world-class capabilities across five critical areas: Strategic Insight; Financial Acumen; Growth Acceleration; Storytelling and Media, and Talent Impact.

ATL's Founding Partners, Venture Partners and Thematic Partners work across Australia, the United States, China, the Middle East and Brazil, investing in four core thematic:

- Disruptive innovation in education and health
- Digital transformation of old economy core sectors
- Demand for food and agriculture in a changing world
- Decarbonising energy, resources & materials

To learn more, please visit <https://www.alchemytribridge.com/>

Alchemy Tribridge Founding Partner Mr Mehrdad Baghai said: "OpenLearning has a world-class Learning Management System which is distinctive in how it engages learners in group learning. The lifelong learning market is significant and growing and we believe that with OpenLearning we have the potential to capture a greater share of the market. We have deep knowledge of the OpenLearning platform and have worked with the senior team for some time. We are excited to work together in partnership to explore growth opportunities that will deliver a step-change in growth.

"We believe our unique world-class capabilities can complement what the team has developed at OpenLearning to ensure the Company can become an important player in learning markets globally."

OpenLearning Group CEO & Managing Director Adam Brimo said: "We are thrilled that the highly regarded investment group Alchemy Tribridge has joined our register, and we look forward to working with them to expand OpenLearning's reach and scale. We will also benefit from their strategic guidance and deep knowledge of how leading tech and education companies have grown around the world. With

the direct involvement and assistance from Alchemy Tribridge, we will have additional resources to realise the value of OpenLearning's technology and IP by pushing into new market segments and geographies.

"We were at the same time keen to ensure our loyal shareholders had the chance to invest alongside Alchemy Tribridge as we continue to advance a number of growth initiatives. By virtue of these two separate capital raisings, we can now confidently pursue a range of initiatives aimed at accelerating revenue from our platform SaaS and program delivery segments."

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/>. 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 Limited is a software as a service 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 196 education providers, OpenLearning is at the forefront of a new wave of online education delivery.

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

Annexure A – Subscription Agreement

The material terms and conditions of the subscription agreement with ATL are set out below:

- In consideration for the payment by ATL of \$2.9 million, the Company will issue:
 - 31,182,796 shares to ATL at an issue price of \$0.093 per share;
 - 2,150,537 shares to certain nominees of ATL at a nil issue price per share (ATL will not be entitled to these shares and will not acquire a relevant interest in these shares by virtue of their issue to ATL nominees); and
 - 6,422,908 options (exercisable at \$0.093 on or before 30 September 2022) at a nil issue price per option;
- for so long as ATL has a relevant interest in at least 10% of the issued shares in the Company, ATL is entitled to appoint one person nominated by ATL, and acceptable to the Company acting reasonably, as a non-executive director of the Company; and
- ATL will provide an undertaking to the Company, pursuant to which it will undertake that it will not acquire a relevant interest in excess of 19.9% of the issued shares in the Company as a result of its participation in the rights issue and to the extent that an application by ATL would result in ATL acquiring a relevant interest in excess of 19.9%, its application will be reduced to the extent required to ensure it holds a relevant interest of no more than 19.9%.

The subscription agreement otherwise contains terms customary for an agreement of its nature, including representations, warranties and confidentiality provisions.