

ASX Announcement | 30 April 2025
Quarterly Activities Report & Appendix 4C

Platform SaaS ARR Continues to Expand; CourseMagic AI and Institutional Adoption Drive Growth

Key Highlights:

1. **Platform SaaS annual recurring revenue (ARR) growth accelerated 12%** year-on-year (YoY) to \$2.364 million in Q1 FY25. The business has now delivered over 13 consecutive quarters of SaaS platform annualised revenue growth.
2. **B2B SaaS customer numbers increased to 246** with new customers being added in 7 countries, reflecting early traction from OpenLearning's geographic expansion.
3. Growing pipeline of LMS deals both within Australia and overseas that are in the later stages of the sales process that are larger than the Company's current average deal size.
4. Improving operating efficiencies and growing revenue saw **net cash outflows from operating and technology investment activities decrease by 12%** YoY to \$0.522 million in Q1 FY25.
5. Usage of OpenLearning's **AI Course Builder** continues to grow and is now an integral component of the company's learning management system (LMS).
6. Signed five higher education customers through our partnership with Meshed Group, a leading Australian student management system that has integrated with OpenLearning's LMS.
7. **CourseMagic.ai**, a suite of AI tools for educators that launched in June 2024 has 154 active B2C customers and contributed to growing SaaS revenue in the quarter.
8. Expansion of **The Uni Guide** is progressing with international student agent agreements now in place with the University of the Sunshine Coast and IMU University Malaysia.

Sydney, Australia, 30 April 2025: OpenLearning Limited, the AI powered SaaS platform for lifelong learning ('OpenLearning' or 'the Company') (ASX: OLL) is pleased to provide its Appendix 4C cash flow statement for the quarter ended 31 March 2025 (Q1 FY25), along with the following financial and operational update.

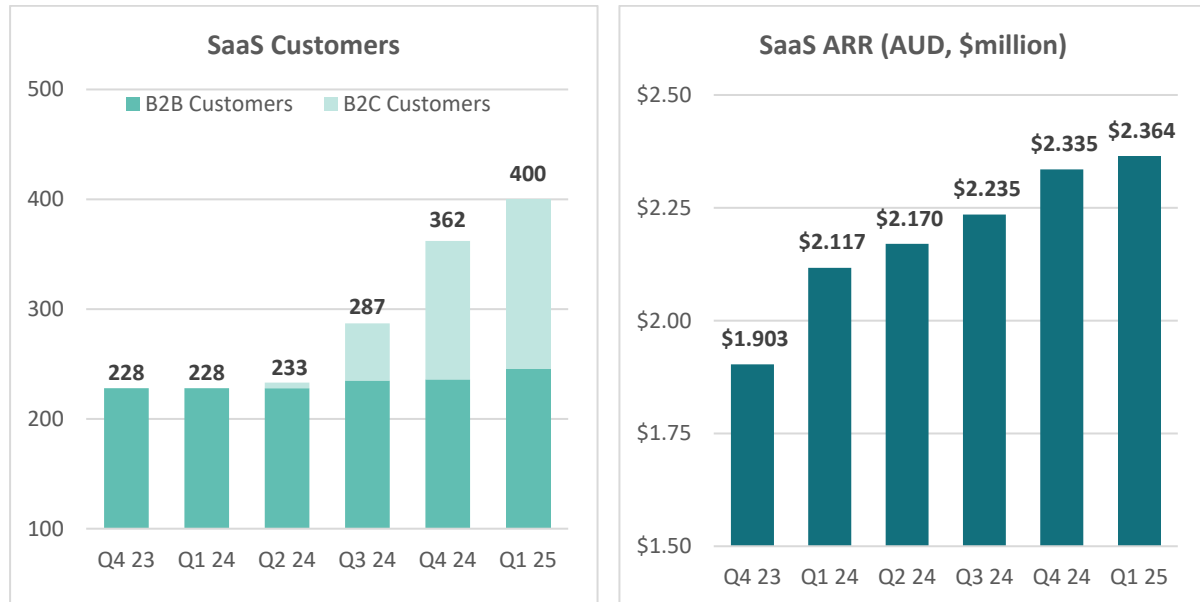
Strong Platform SaaS ARR Growth

OpenLearning provides a learning management system (LMS) that 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 for both online and on-campus students.

The Company's SaaS annual recurring revenue (ARR) continued to grow in the quarter, increasing by 12% YoY, to reach \$2.364 million. This growth was driven by an increase in average SaaS ARR per B2B customer, which increased by 2% YoY to \$9,466, as well as new customers subscribing across all the Company's products.

The platform boasts a strong customer base with 246 active B2B customers and 154 active B2C customers. B2C customers are from the Company's latest product, CourseMagic.ai, which launched in late June 2024.

While the Australian higher education sector has faced budget constraints and financial challenges, impacting some customers, OpenLearning has successfully mitigated these effects by expanding ARR from resilient existing customers and attracting new customers switching from other platforms. This strategy has driven overall customer and revenue growth.



The Company derives recurring SaaS revenue from its platform offering, which comprises four products that add value to education providers:

- OpenLearning Learning Management System – Flagship end-to-end AI-powered platform for education providers to create, market, deliver and manage all types of courses.
- OpenLearning Marketplace – A global network of education marketplaces, including on OpenLearning.com, as well as TheUniGuide.com.au and PostGradAustralia.com.au.
- Biomedical Education and Skills Training (BEST) Network – An image-based teaching platform and virtual microscopy solution for biomedical education at leading medical schools.
- CourseMagic – Suite of AI-powered instructional design tools for educators and education providers that are designed to work with any learning management system.

Prospective customers can purchase each of the products individually with OpenLearning's Learning Management System forming the basis of its land and expand strategy.

Growth of CourseMagic.ai

CourseMagic is a standalone product with a suite of Generative AI-powered tools, including an AI Course Builder, for educators that are compatible with leading learning management systems, including Canvas, Blackboard and Moodle.

CourseMagic now has paying customers from Australia, U.S., India, Canada, Philippines and Malaysia, and ended the quarter with 154 active B2C subscribers. CourseMagic is offered on a usage-based SaaS model targeting educators and education providers with SaaS fees based on the number of staff at the institution who utilise the tool and the number of AI tokens used by the institution.

The Company is also seeing growing B2B sales traction from CourseMagic with universities in Australia and Malaysia subscribing to the product for their learning design teams to evaluate it for a wider rollout to university faculty members.

Expansion into LMS Market and Release of Exam System

OpenLearning is expanding the use cases for its learning management system (LMS) beyond short courses and micro-credentials to support on-campus and blended learning. This positions the platform to serve as the primary LMS for all programs offered by an institution, both online and on campus.

To support this strategy, OpenLearning has invested heavily over several years to align its product development roadmap with the functionality provided by traditional incumbent players and the expectations of institutions. As a result, the Company is seeing a growing sales pipeline, with opportunities from current and new customers at contract sizes three to ten times larger than its current average.

The first phase of OpenLearning's hotly anticipated new examination system was released in January with initial feedback from customers being highly positive. Additional features have been released since, and more features are planned throughout 2025 in alignment with requirements from the Company's customers and to ensure feature-completeness with the major LMS providers.

OpenLearning's partnership with Meshed Group has already resulted in five higher education providers subscribing to OpenLearning and there is a pipeline of Australian institutions that are considering the Company's LMS now that it is fully integrated with Meshed Group's student management system.

The Company rolled out a new innovative generative AI features in Q1 FY25 that provide student feedback and facilitation suggestions to educators with the aim of reducing costs for education providers while improving feedback for learners.

The incorporation of Generative AI into OpenLearning's LMS has increased utilisation of the platform amongst existing customers and attracted new customers, driving higher platform SaaS revenue.

Gaining Traction in New Geographies

The Company is actively working with its network of resellers and partners across India, Philippines, Indonesia and Malaysia to promote its platform and win new business. In the quarter, OpenLearning added new SaaS customers in India, Indonesia, Malaysia, Australia, the U.S. and the Philippines, and has continued to grow its pipeline of prospects in those markets.

The Company's capital light expansion model leverages its digital marketing capability for lead generation, resellers in key markets, support from the Education Centre of Australia's offshore offices and OpenLearning's Malaysia-based sales team. This approach has already resulted in new customer subscriptions and a number of larger opportunities in the pipeline.

Expanding The Uni Guide into International Student Recruitment

The Uni Guide's websites attract close to 1 million visitors a year, with about 1/3rd being from overseas, resulting in a large number of prospective international students looking for a course to study. Additionally, OpenLearning's largest shareholder, Education Centre of Australia (ECA), has extensive experience managing international student agents globally and recruiting students.

OpenLearning is now combining the reach of The Uni Guide with ECA's expertise in international student recruitment to recruit students into selected, high-demand courses from a number of Australian and overseas universities in exchange for a share of the commission received for successful placements.

In the quarter, the Company has signed international student agent agreements with the University of the Sunshine Coast and IMU University Malaysia, and is commencing recruitment activities across Southeast Asia, South Asia and China.

The major intakes of international students into universities occur twice per year and revenue from the successful placement of international students is usually received a few months after the students commence their studies.

Acquisition of Employability Advantage

As announced on the ASX, OpenLearning entered into an agreement to acquire the Employability Advantage business from Education Centre of Australia Pty Ltd (ECA Group) on 11 April 2025. The acquisition completed on 11 April 2025 for A\$1.00, with no liabilities or customer contracts transferred.

Employability Advantage provides a suite of work-readiness tools under the Upskill brand, including skills diagnostics, resume generators, interview simulators, and short courses focused on career preparation. These resources, along with live bootcamps and workplace simulation projects, are designed to complement and enhance formal education and will now be delivered through OpenLearning.

OpenLearning has begun to engage with past clients of Employability Advantage to offer them relevant services on either a recurring revenue model (e.g. Software as a Service) or fee-for-service basis in the case of bootcamps or short courses. Initial feedback has been positive and the Company expects the acquisition to add revenue over the next 12 months.

Cash Outflows Continue to Decline

Starting from 1st Jan 2025, the Company is no longer capitalising a portion of its platform software investment, resulting in an increase in net operating cash outflows of 22% to \$0.522 million in Q1 FY25, versus \$0.427 million in Q1 FY24. However, after taking into account capitalised investment in its platform in Q1 FY24, the Company's overall cash outflows decreased by 12% compared to the prior year. This was a result of the Company's cost optimisation exercise over the past year and its continued efforts to grow revenue and increase gross margins.

Customer cash receipts decreased 10% YoY to \$1.103 million as a result of the cyclical nature of payments from SaaS customers and the sales of courses from customers utilising OpenLearning's payment gateway.

Material cash receipts from customers by segment for the quarter were:

- Platform SaaS - \$0.736 million (down 20% YoY)
- Marketplace - \$0.358 million (up 17% YoY)

The Company's total available funding, including cash on hand and its loan facility with the Education Centre of Australia, as of 31 March 2025 was \$1.432 million.

OpenLearning Group CEO & Managing Director Adam Brimo said: “This quarter marks a significant step forward for OpenLearning as we expand the use of our platform beyond short courses and micro-credentials to support on-campus and blended learning. Our sustained investment in aligning our LMS with the functionality expected by institutions is now translating into a growing sales pipeline and larger contract opportunities.

In addition, the continued growth of CourseMagic and the expansion of The Uni Guide are gaining strong traction, opening new revenue streams and strengthening our position in the education sector. The acquisition of Employability Advantage further enhances our offering, enabling us to deliver scalable, career-focused learning experiences that prepare learners for success in the workforce.”

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://investors.openlearning.com/> to 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****Sally Greenwood or Maria Clemente**

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Dominion Partners

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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 250 leading education providers, who have delivered tens of thousands of courses to over 5 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/>

Annexure

During Q1 FY25 the following payments were made to related parties and their associates as disclosed in Item 6 of the Appendix 4C.

Salaries and fees paid to Directors	Amount
Fees to Spiro Pappas as Non-Executive Director and Chairman	\$11,002
Fees to Matthew Reede as Non-Executive Director and Consultant	\$14,114
Salary to Adam Brimo as Executive Director, Managing Director and Group CEO	\$48,772
Total	\$73,888

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

OPENLEARNING LIMITED

ABN

18 635 890 390

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		1,103	1,103
1.2 Payments for			
(a) research and development		(12)	(12)
(b) product manufacturing and operating costs		(196)	(196)
(c) advertising and marketing		(64)	(64)
(d) leased assets		(1)	(1)
(e) staff costs		(767)	(767)
(f) administration and corporate costs		(275)	(275)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		-	-
1.5 Interest and other costs of finance paid		(3)	(3)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other (see note 6)		(307)	(307)
1.9 Net cash from / (used in) operating activities		(522)	(522)
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) entities		-	-
(b) businesses		-	-
(c) property, plant and equipment		-	-
(d) investments		-	-
(e) intellectual property		-	-
(f) other non-current assets		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	953	953
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(522)	(522)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	432	432

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	423	945
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (balances with online payment providers)	9	8
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	432	953

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
74
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Item 6.1: This sum of \$58,000 consists of salaries paid to an executive director and fees paid to non-executive directors plus related super contributions.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	3,000	2,000
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	3,000	2,000

7.5 Unused financing facilities available at quarter end	1,000
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7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

OpenLearning Limited and Education Centre of Australia Pty Ltd (ECA) (ACN 111 918 775) executed an agreement on 6th June 2023 to provide the Group with an unsecured loan facility of \$3 million at an interest rate of 7.35% and a term of 2 years from the date of each drawdown.

The Group and ECA agreed to amend the terms of the unsecured loan facility on 29th February 2024 to allow the Group to convert the outstanding \$3 million facility into equity at a 25% premium to the 30-day VWAP and provide an additional \$2 million in unsecured debt that could be converted into equity by the Group's Board of Directors on the same terms. The additional \$2m under the facility has been fully drawn down.

On 10th December 2024, ECA agreed to increase the limit on its loan facility by \$1 million on the same terms. This portion of the facility remains undrawn as at 31 March 2025.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(522)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	432
8.3 Unused finance facilities available at quarter end (Item 7.5)	1,000
8.4 Total available funding (Item 8.2 + Item 8.3)	1,432
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.74

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not Applicable.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not Applicable.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not Applicable.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2025

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
6. Included in item 1.8 'Other' are mainly payments to education providers of \$283,000 for the current quarter.