

## ASX ANNOUNCEMENT

25 August 2021

### 3PL announces FY21 Full Year Results, FY22 Outlook & Officeholder Updates

#### FY21 Full Year Results Summary

The Directors of 3P Learning Limited (“**3PL**”) announce its results for the full financial year ended 30 June 2021 following the acquisition of Blake eLearning Pty Ltd (“**Blake**”) on 28 May 2021. Group Revenue was \$57.4 million, up \$2.4 million on the previous corresponding period, Underlying EBITDA increased \$0.9 million to \$10.4 million and statutory net loss after tax was \$9.4 million.

Key Financial Information	FY21 <sup>1</sup>	FY20 (Restated) <sup>2</sup>	Variation (%)	FY20 (Previous)
<b>A\$M (unless stated)</b>				
Revenue	57.4	55.0	4%	55.0
Underlying EBITDA	10.4	9.5	9%	14.6
Underlying Net Profit After Tax	2.2	0.6	267%	1.7
Statutory Net (Loss)/Profit After Tax	(9.4)	0.5	(1980%)	1.6
Underlying Earnings Per Share (cents)	1.45	0.43	237%	1.21
Cash	24.9	27.1	(8%)	27.1

<sup>1</sup> Results include trading from Blake eLearning (Blake) following 3P Learning’s acquisition of this company on 28 May 2021. Blake contributed \$3.5m to Revenue, \$1.1m to Underlying EBITDA and \$0.4m to Underlying NPAT.

<sup>2</sup> The International Financial Reporting Standards Interpretations Committee (IFRIC) has clarified the accounting standards requirements with respect to costs associated with the configuration and customisation of cloud software. In response, 3PL has updated its accounting policy and restated FY20 figures above, resulting in the cost of several technology projects in the previous financial years being expensed immediately and any previously recorded capitalised costs and accumulated amortisation associated with this cloud software being reversed.

Revenue growth from licence sales increased by 4% to \$53.8m with Blake contributing \$3.4m. Overall, the statutory net loss after tax of \$9.4m reflects adverse foreign exchange movements and adjustments for significant one-off items as a result of the corporate activity throughout FY21 and impairment and integration charges. However, gross margin percentage is at 86% which indicates that as the business scales up, incremental revenue will generate significant EBIT growth.

No dividend has been declared.

#### Integration & Strategic Growth

In commenting on the future growth opportunity, 3PL’s Chairman, Matthew Sandblom, said “I’m excited about achieving long term profitable growth. We will continue to invest in

programs that really engage, excite and educate students. The combination of the two businesses and the revenue it generates will allow for further growth initiatives and geographic expansion.”

3PL’s CEO, Jose Palmero, said “Since the acquisition of Blake 3 months ago, we have completed the first phase of the Company’s strategic growth plan, which included finalising its product strategy, simplifying and merging business processes, restructuring the organisation and realising cost synergy savings. 3PL’s next phase will be focussed on unlocking the value within the business by driving growth from product, customer and geographic expansion through our B2B and B2C segments, with the latter now comprising greater than 30% of its revenue from the fast growing direct-to-consumer space compared to less than 3% prior to the Blake acquisition.”

### **FY2022 Outlook**

The Company’s FY22 financial guidance for Revenue will be \$92.3m - \$97.2m and EBITDA will be \$12.1m - \$15.4m.

3P Learning’s CFO, Dimitri Aroney, said “We expect single digit growth on the core school market, which could be significantly bolstered by the closure of one or more seven-figure enterprise sales opportunities. In the B2C market we are expecting double digit growth driven by expansion in US, UK and emerging markets. We also expect significant cash generation and operating cash flow to be above the reported EBITDA over the course of the financial year.

### **Update on Chairman and CEO**

The Board determined that the Chairman, Matthew Sandblom, has an active role in the day-to-day management of the Company particularly in the areas of Strategy and Product. Consequently, the Board agreed that Matthew’s title be changed to ‘Executive Chairman’ as this better reflects his current roles and responsibilities. A summary of the material terms of Matthew’s consultancy arrangement is attached in Annexure A. The Board acknowledges that Matthew’s significant shareholdings in 3PL provides the benefits that incentive arrangements typically under a service agreement aims to achieve and therefore no further compensation is required.

The Board also determined that to date, Jose Palmero, currently interim CEO, has given the Board confidence that he is the best candidate for the CEO position. This combined with Jose’s longstanding working history with the Executive Chairman, led the Board to resolve that Jose’s period as Interim CEO be waived. Effective today, Jose will become CEO on an ongoing basis subject to termination by either party with 6 months’ notice (other than where the employment is terminated by 3PL for cause). No other changes were made to his executive service agreement.

The Board believes the above changes creates certainty in the future vision, strategy and leadership of 3PL.

This announcement has been authorised for release by the Board of 3PL.

For further information, please contact:

3P Investor Relations

[investors@3plearning.com](mailto:investors@3plearning.com)

### **Results Briefing Dial in Details**

Pre-registration for the teleconference is available [here](#).

**Date:** Wednesday, 25 August 2021 at 10.30am AEST

**Conference ID:** 10014608

Australian callers	1800 809 971 or +61 02 9007 3187
USA/Canada	1 855 881 1339
UK	0800 051 8245
Singapore	800 101 2785
Hong Kong	800 966 806
New Zealand	0800 453 055
Japan	005 3116 1281
<a href="#">Other</a>	

## Annexure

A summary of the material terms and conditions in Matthew Sandblom's (MS) Consultancy Agreement are provided below.

<b>Key Terms</b>	<b>Details</b>
<b>Commencement date</b>	25 August 2021
<b>Term</b>	12 months fixed period
<b>Termination Date</b>	25 August 2022
<b>Consultant Personnel</b>	Matthew Sandblom
<b>Services by Consultant</b>	Strategic advice including business strategy, product development strategy and consumer market Strategy
<b>Fees</b>	AUD\$300 per hour plus GST up to a cap of AUD\$100,000 over the Term.
<b>Termination and notice</b>	Either party may terminate by providing 60 days' written notice other than for a material breach of the agreement.