Investor & Analyst Presentation

FY17 H1 Results
For six months ended
31 December 2016

23rd February 2017

Rebekah O'Flaherty-CEO | Jonathan Kenny-CFO

Agenda

1. Overview
2. Strategic Priorities Update
3. FY17 H1 Financial Results
4. FY17 Outlook
5. Q&A
6. Appendices

Overview

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FY17 H1 Results Highlights

$M	FY17 H1	FY16 H1	Mvmt	Growth
Revenue	**25.1**	**22.9**	**2.2**	**10%**
ANZ	15.7	13.5	2.2	16%
EMEA	6.0	6.4	(0.4)	(6%)
Americas	3.4	3.0	0.4	13%
Mathletics	18.9	18.7	0.2	1%
Reading Eggs	4.4	2.1	2.3	110%
Spellodrome	1.1	1.0	0.1	10%
Into Science	0.4	0.4	-	0%
Other	0.3	0.7	(0.4)	(57%)
Expenses	**(16.8)**	**(15.9)**	**(0.9)**	**6%**
Underlying EBITDA	**8.3**	**7.0**	**1.3**	**19%**
Share of Associate's Profit *	0.2	0.3	(0.1)	NM
Underlying Core EBITDA	**8.5**	**7.3**	**1.2**	**16%**
EBITDA margin (%)	34%	32%	2%	
Underlying NPAT	**3.8**	**3.7**	**0.1**	**3%**
Other one-off costs (after tax)**	(12.6)	(0.5)	(12.1)	2,420%
Statutory NPAT	**(8.8)**	**3.2**	**(12.0)**	**(375%)**

- Group Revenue grew by 10%.
- EMEA and Americas impacted by FX on constant currency growth was 21% and 18% respectively.
- Underlying licence growth of 6%.
- Underlying Core EBITDA grew by 16% reflecting our actions around cost management and developing a more efficient and effective global operating model, meeting our commitment to grow revenue faster than cost.
- As flagged in our FY16 full year results we conducted and have now completed a strategic review of IntoScience as well as our technology assets and investments. This review has resulted in a one off non cash write down after tax of $12.0M. Restructuring costs after tax of $0.6M were also recorded in the half.

* Share of associate profit is Learnosity contribution based on 23.07% share of NPAT for 9 Sep – 18 Jan 2016 and 40% share for 19 Jan 2016 – 31 Dec 2016
** Adjustments made for significant one-off, non-recurring items for comparative purposes

Strategic Priorities Update

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3 Year Strategic Priorities

Build upon 3P's foundation of

- Talented team
- Strong customer advocates (students, parents and teachers)
- Award-winning product brands
- Recurring SaaS business model
- Large installed base to accelerate profitable global growth

2017 Strengthen Product Portfolio, Develop Scalable Sales, Marketing and Globalise Operating Model
Prioritising Product Development and Innovation, developing Scalable Sales and Marketing Model, Implementing a Global Operating Model

2018 Optimise Sales
Leverage our scalable Global Operating Model to grow sales through product and geographic expansion

2019 Accelerate Growth

Culture and Talent

Mathletics
Spellodrome
IntoScience
ABC Reading eggs
ABC Mathseeds

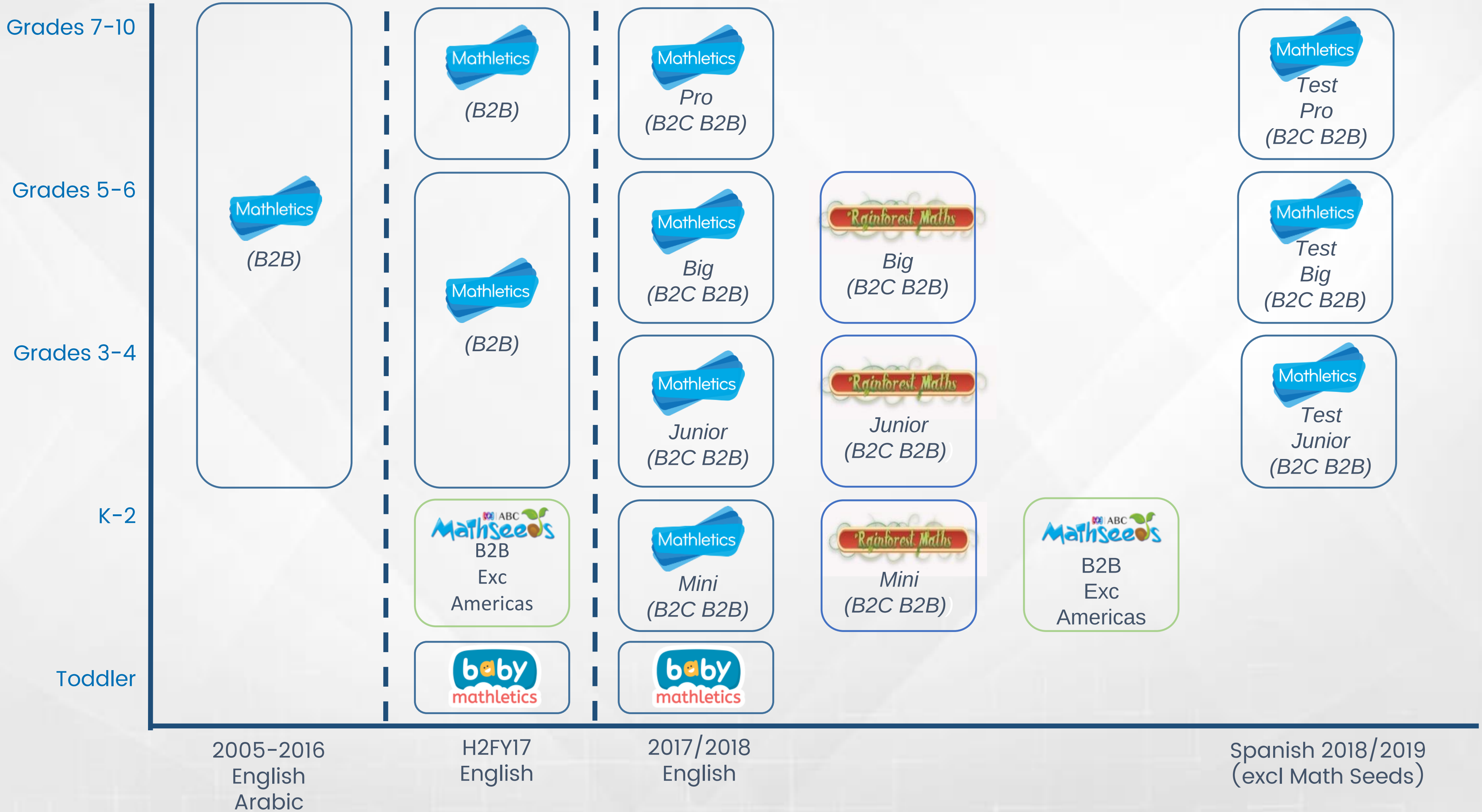
Strategic Priority #1 Strengthen Product Portfolio

Focus on maths and literacy, the largest most synergistic education categories

Goal	Strategy	Progress
Revitalize flagship Mathletics Brand	▪ New Secondary Experience ▪ New Primary Experience ▪ New Teacher Experience ▪ Baby Mathletics App	▪ Launched late July 2016 ▪ On track for Q4 FY17 launch ▪ On track for Q4 FY17 launch ▪ Launched Feb 2017
Build out Literacy Offering for Key Growth Markets	▪ Develop our own IP around Literacy in markets we don't serve with Reading Eggs ▪ Spellodrome enhanced for UK	▪ Writing MVP developed and market testing underway and due for completion May 17 ▪ Completed Feb 2017 now compliant with DfE (UK) National Curriculum
Cease further investment in Science	▪ Stay focused on larger Maths and Literacy market	▪ Cease customer acquisition 1 April 2017, continued customer support.
Maths/Literacy Shared Product & Technology Development	▪ Flash to HTML Conversion ▪ SSO Google and Microsoft ▪ SIS Integration USA ▪ Leverage Data and Analytics ▪ Continue to enhance our Agile Product Dev and Innovation Process	▪ 90% complete by FY17 H1; 100% by FY17 H2 ▪ Launched August 2016 ▪ Launched August 2016 ▪ Started scoping ▪ Announced closure of Pune India Operation and Product and App dev now centralised.

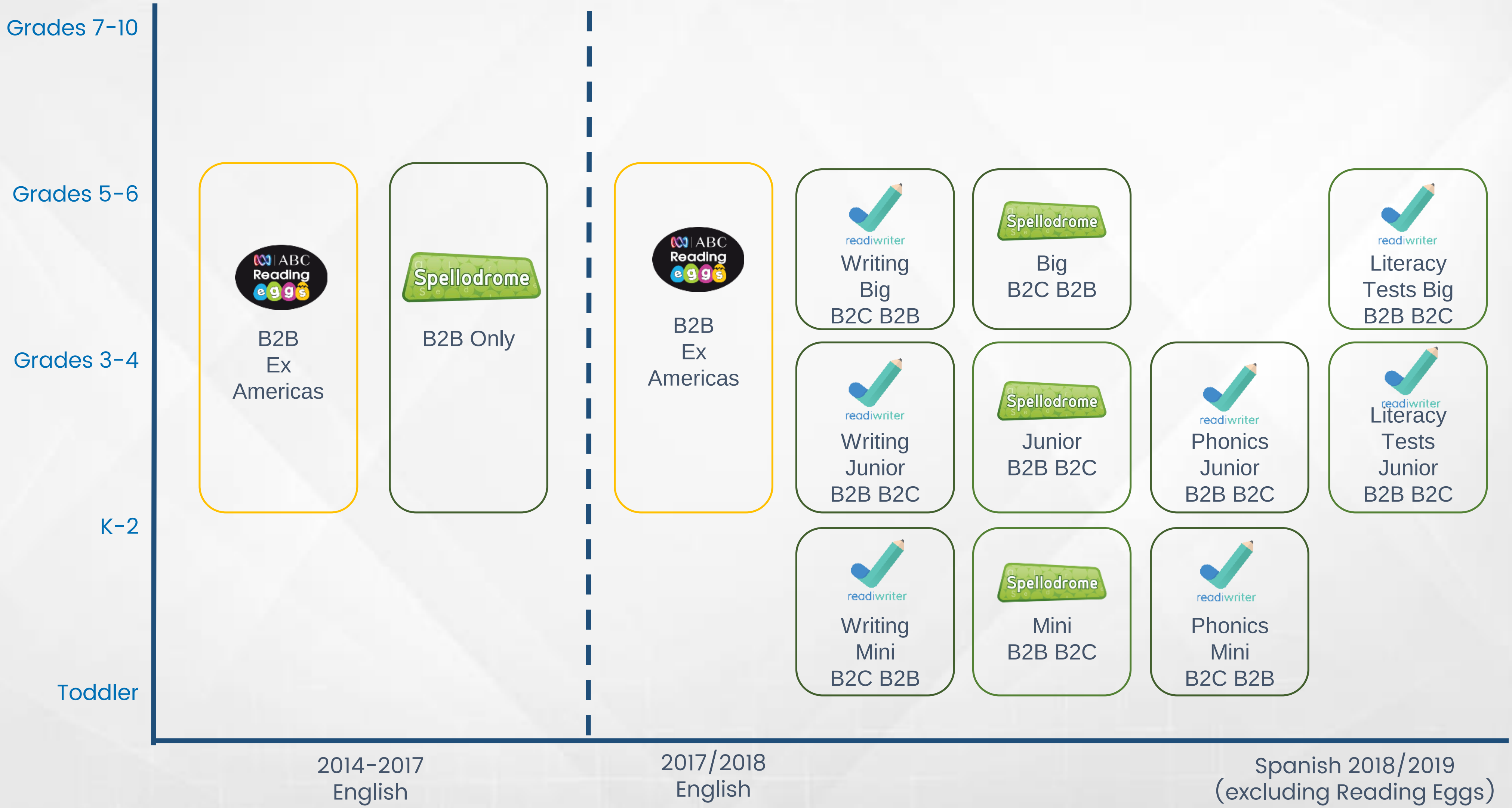
Evolution of Maths Category

More targeted product and price offers to improve retention, ARPU and customer acquisition cost



Evolution of Literacy Category

Aligned with maths category to improve multi product holding, retention and customer acquisition cost



Strategic Priority #2 Develop a Scalable Sale and Marketing Model

Leverage digital and telesales, as well as variable cost sales channels and pursue select geographic expansion

Goal	Strategy	Progress
Lower Cost Telesales	▪ Replicate our successful Canadian lower cost telesales model to address the USA	▪ Transitioning to lower cost telesales model for the USA underway, complete by Q1FY18 ▪ America's real estate footprint under review to deliver cost benefit
Develop variable cost 3rd party sales channels	▪ Establish a variable sales cost channel to complement our remote inside sales team	▪ Appointed an Edu Tech Distributor to help identify and recruit sales agents to address Public and Charter School segments ▪ Appointed NY sales agent to address 1M Public School students in NYC currently unaddressed
Select Geographic Expansion	▪ Utilise established 3rd party distributors and resellers where no/low product adaption required	▪ APAC appointed sales agent to address Sth East Asia International Schools ▪ EMEA appointed Ireland sales agent
Digitise and automate sales and marketing	▪ Embed automated digital sales, marketing and service to drive improved retention and CAC	▪ Globalised the Marketing Function and ownership of B2C Digital ▪ Implemented auto renewal in APAC with other regions to follow H2 ▪ Marketing Cloud commenced implementation

Strategic Priority #3 Globalise our Operating Model

Standardise and simplify the operating model to enable efficient scalable growth

Goal	Strategy	Progress
Banking Platform	▪ Global banking platform for effective working capital management, control and efficient processing	▪ Complete
Sales Operations	▪ Global opportunity management process, forecasting and data and analytics	▪ Salesforce single instance live ▪ Recruited Global Sales Operations Manager ▪ Data/Analytics solution being scoped
Customer Service	▪ Improve customer satisfaction and retention; expanding 24 x 7 follow the sun Global Helpdesk offering	▪ Service Cloud scoping underway ▪ Online help ▪ Helpdesk in place
Shared Service	▪ Centralise back office functions for improved scalability and efficiency (General Ledger, Payables, Receivables and Payroll)	▪ NetSuite live and global functions established
Business Systems	▪ Single end-to-end cloud systems allowing efficient single global processes with quick deployment	▪ NetSuite and Salesforce live globally.

FY17 H1 Financial Results

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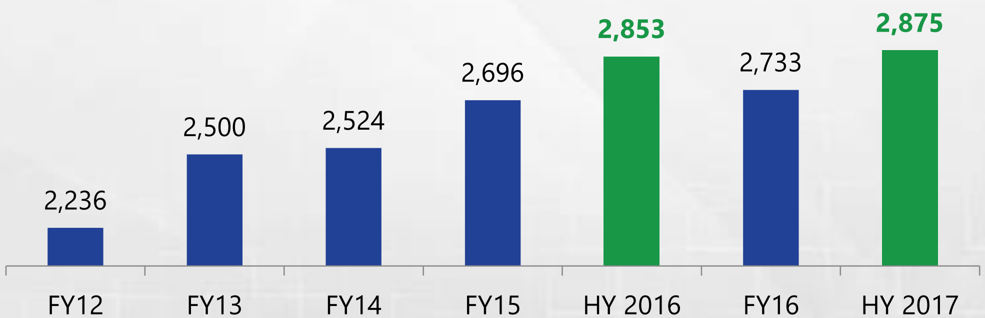
APAC – Growing leading market position

APAC Financials

$M	FY17 H1	FY16 H1	Mvmt	Growth
Licence revenue	15.5	12.8	2.7	21%
Copyright fees, sponsorships and other	0.2	0.7	(0.5)	(71%)
Total revenue	15.7	13.5	2.2	16%
Costs	(4.2)	(4.3)	0.1	(2%)
EBITDA before corporate overheads*	11.5	9.2	2.3	25%
EBITDA margin (%)	*73%*	*68%*		
Licences at period end (000s)	2,875	2,853	22.2	1%
ARPU ($)	$10.75	$10.19	$0.57	6%
Full Time Equivalent (number)	60	66	(6)	(9%)

* Refer to appendices for reconciliation to Statutory EBITDA

APAC licences (000s)



Key Points

- Licence revenue growth of 21% benefited by the rephrasing of billings of $1.8M (detailed on slide 28), underlying growth of 7%.
- Sponsorships revenue declined as the World Education Games was not held in current period
- Licence numbers increased by 1%, retention improvement in both primary and secondary. Life Time Value (LTV) of customers is increasing
- ARPU increased 6% with some benefit from phasing of Reading Eggs sales
- Cost of Acquiring Customers (CAC) was down 2%

FY17 Focus & Outlook

- Released a new secondary interface in Jul 16 to improve retention in secondary schools. This has proved successful. New primary interface due to be released in June.
- Focus on growing market share
- Modest price increases above CPI

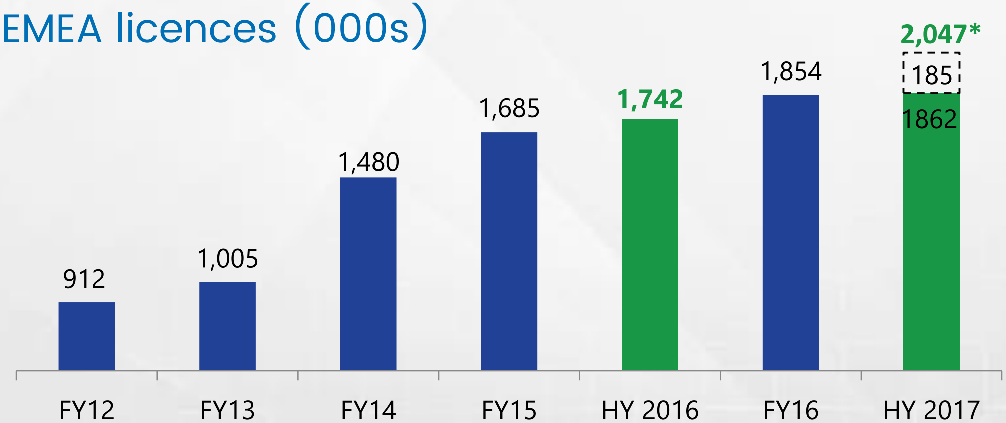
EMEA – Growing margin and market share

EMEA Financials

£M	FY17 H1	FY16 H1	Mvmt	Growth
Revenue	3.5	2.9	0.6	21%
Costs	(1.5)	(1.5)	-	0%
EBITDA	2.0	1.4	0.6	43%
EBITDA margin (%)	*57%*	*48%*		18%
ARPU (£)	£3.83	£3.72	£0.11	3%

AU$M	FY17 H1	FY16 H1	Mvmt	Growth
Revenue	6.0	6.4	(0.4)	(6%)
Costs	(2.4)	(3.3)	0.9	(27%)
EBITDA	3.6	3.1	0.5	16%
EBITDA margin (%)	*60%*	*48%*		24%
ARPU ($)	$6.77	$7.59	($0.82)	(11%)
Licences at period end (000s)	2047*	1,742	305	18%
Full Time Equivalent (number)	61	64	(3)	(5%)

EMEA licences (000s)



* Adjusted for 185K Middle East licences for comparative purposes

Key Points

- Strong revenue growth of 21% in GBP. (6%) decline in $AUD
- Revenue growth supported by 18% gain in underlying licences and 3% ARPU expansion due to price rise and FX
- Costs were flat in local currency expanding margins by 18%.

FY17 Focus & Outlook

- Brexit not anticipated to materially impact education sector. GBP depreciation continues to impact FY17 performance
- Opportunity for scalable sales model as change in government policy sees schools transitioning to academies structure
- Legacy Middle East contract renewal was not received in the half impacting licences by 185K and $200k revenue impact. Other ME opportunities more than cover the value of this contract

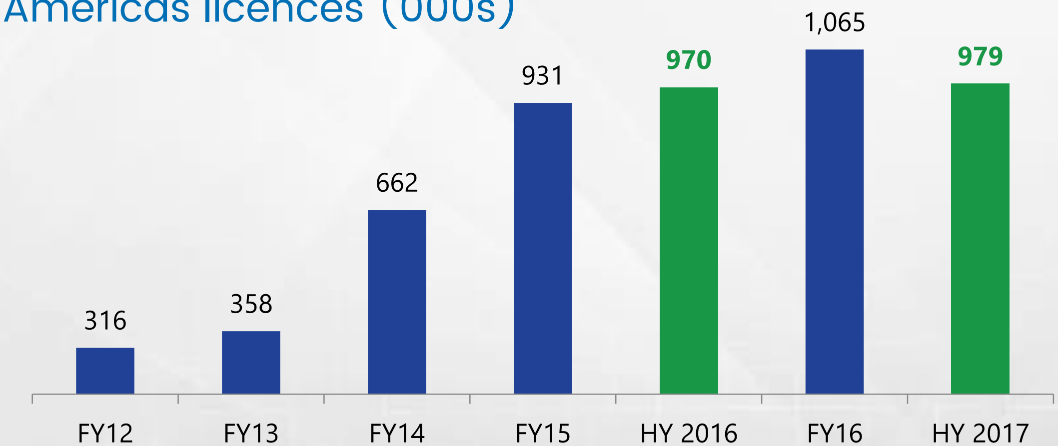
Americas – Efficient and scalable sales model

Americas Financials

US$M	FY17 H1	FY16 H1	Mvmt	Growth
Revenue	2.6	2.2	0.4	18%
Costs	(2.8)	(2.6)	(0.2)	8%
EBITDA	(0.2)	(0.4)	0.2	50%
EBITDA margin (%)	(8%)	(18%)		NM
ARPU (US$)	$4.82	$5.26	($0.44)	(8%)

AU$M	FY17 H1	FY16 H1	Mvmt	Growth
Revenue	3.4	3.0	0.4	13%
Costs	(3.7)	(3.5)	(0.2)	6%
EBITDA	(0.3)	(0.5)	0.2	40%
ARPU (AU$)	$6.46	$6.78	($0.32)	(5%)
Licences at period end (000s)	979	970	9	1%
Full Time Equivalent (number)	48	49	(1)	(2%)

Americas licences (000s)



Key Points

- Revenue growth of 18%. 13% in $AUD
- Revenue growth supported by 1% gain in licences. Licence numbers impacted as whole school bundles unwound and focus on better ARPU and value. ARPU decline half on half by (5%) however has improved by 9% on 30 June 2016 ARPU of $5.91.
- Costs increased 8%. Headcount declined from 56 as at 30 June 2016 to 48 in the half as we transition to a scalable sales model.

FY17 Focus & Outlook

- Appointing Partners to drive penetration into existing and new districts providing a platform to grow revenues and licences
- Cost base expected to be stable as we drive a more efficient and scalable model by establishing more indirect channels and remote tele-sales. US operating loss will continue to narrow with planned break even in FY18

Learnosity – delivering growth

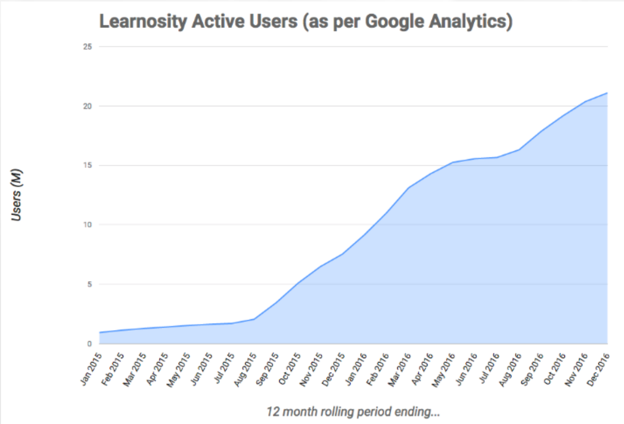
Learnosity Financials

US$	FY17 H1	FY16 H1	Mvmt	Growth
Revenue	5.9	4.5	1.4	31%
Underlying EBITDA	0.4	1.0	(0.6)	(60%)
Underlying NPAT	0.4	1.0	(0.6)	(60%)

A$M	FY17 H1	FY16 H1	Mvmt	Growth
Revenue	7.8	6.3	1.5	24%
Underlying EBITDA	0.6	1.4	(0.8)	(56%)
Underlying NPAT	0.5	1.4	(0.9)	(65%)
3P Share of profit *	0.2	0.3	(0.1)	(33%)

*40% shareholding since investment 9/9/15-31/12/16

Market Leading Assessment tools powering 3P Products



- Active users continues to grow strongly up to 21.1 million between Jan 2015 and Dec 2017 as customers implement Learnosity Assessments

Key Points

- Revenue growth of 31% to US$5.9M reflecting growing global demand for online assessment. Strong growth in blue chip customer numbers
  https://www.learnosity.com/partners/
- 16 new customers won in the half with lifetime minimum contracts values of US$4.1M.
- Underlying NPAT of US$0.4M down on prior year US $1.0M due to increased investment in product, sales and marketing
- A$0.2M contribution to the Group's Underlying Core EBITDA

FY17 Focus & Outlook

- Future revenue will be invested to support growth. Focus on building adjacent verticals. Higher Education and Corporate Learning
- Core Areas of product investment:
  Accessibility, analytics, scale, mobile and streamline customer onboarding to significantly grow customers

FY17 H1 – Income Statement

$M	FY17 H1	FY16 H1	Mvmt	Growth
Total Revenue	**25.1**	**22.9**	**2.2**	**10%**
Employee	(11.7)	(10.1)	(1.6)	(16%)
Marketing	(0.8)	(1.6)	0.8	50%
Technology and occupancy	(2.6)	(2.1)	(0.5)	(24%)
Other	(1.7)	(2.1)	0.4	19%
Expenses	**(16.8)**	**(15.9)**	**(0.9)**	**(6%)**
Underlying EBITDA	**8.3**	**7.0**	**1.3**	**19%**
Share of Associate's Profit*	0.2	0.3	(0.1)	(33%)
Underlying Core EBITDA	**8.5**	**7.3**	**1.2**	**16%**
EBITDA margin (%)	*34%*	*32%*		
Depreciation & amortisation	(3.3)	(2.4)	(0.9)	(38%)
EBIT	**5.2**	**4.9**	**0.3**	**6%**
EBIT margin	*21%*	*21%*		
Net interest	(0.6)	(0.1)	(0.5)	(500%)
Profit before tax	**4.6**	**4.8**	**(0.2)**	**(4%)**
PBT margin	*18%*	*21%*		
Tax Benefit/(Expense)	(0.8)	(1.1)	0.3	27%
Tax rate	*17%*	*23%*		
Underlying NPAT*	**3.8**	**3.7**	**0.1**	**3%**
Impairment (after-tax)	(12.0)	-	(12.0)	NM
Restructuring & Transaction Costs (after-tax)	(0.6)	(0.5)	(0.1)	NM
NPAT	**(8.8)**	**3.2**	**(12.0)**	**(375%)**
Underlying EPS (cents)	2.73	2.74	(0.01)	(0%)
Statutory EPS (cents)	(6.38)	2.31	(8.69)	(376%)

* Learnosity share of profit for period 9 September 2015 to 31 December 2017

Key Points

- Headcount has declined to 307 from 338 as at June 16 and expect to decline to 250 by June 17. As at Dec 2015 it was 284. The benefit of the headcount decrease will flow into the second half as it declined through the H1 period and FY18.
- Marketing costs reduced $0.8M as World Education Games was not held in the current period and increased digital marketing at lower cost
- Technology costs increase reflect transition to cloud with reclassified from depreciation to opex; higher occupancy costs reflect increase in headcount. The current office footprint is under review with the aim to drive further cost savings
- Other expenses declined 19% through cost management. On target for cost reductions of $2.0M on FY16 H2 run rate
- Amortisation increased due to product development investment (see slide 20 for details)
- Net interest expense increase reflects strategic investment in Learnosity
- Impairment (after-tax) 12.0M (see slide 20 for details).
- Efective tax rate of 17% improved due to R&D tax incentive claimed with respect to FY16
- Restructuring costs of $0.6m (net of tax) reflects actions taken to implement 3 year strategic plan

FY17 H1 – Cash flow

$M	FY17 H1	FY16 H1	Mvmt
Underlying Core EBITDA	8.5	7.3	1.2
Non-cash expense	(0.4)	(0.4)	-
Change in working capital	(10.7)	(10.6)	(0.1)
Operating free cash flow before intangibles	**(2.6)**	**(3.7)**	**1.1**
Investment in product development & other intangibles	(4.6)	(5.8)	1.2
Operating free cash flow after intangibles	**(7.2)**	**(9.5)**	**2.3**
Net interest paid	(0.5)	(0.1)	(0.4)
Income tax (paid)/refunded	(0.7)	(0.2)	(0.5)
Short term deposits	0.0	0.5	(0.5)
Net cash flows before dividends	**(8.4)**	**(9.3)**	**0.9**
Payments of business and investments	(3.6)	(19.6)	16.1
Purchase of PP&E	(0.1)	(0.3)	0.2
Net cash flows after investments	**(12.0)**	**(29.2)**	**17.2**
Cash flow conversion[1] (before capital expenditure)	**(31%)**	**(51%)**	**20%**
Cash flow conversion[2] (after capital expenditure)	**(85%)**	**(130%)**	**45%**

[1] Cash flow conversion calculated as operating free cash flow before capital expenditure as a percentage of Underlying Core EBITDA.

[2] Cash flow conversion calculated as operating free cash flow after capital expenditure as a percentage of Underlying Core EBITDA.

Key Points

- Revenue growth, cost containment and strong working capital management have improved operating free cash flows by $1.1M. Cash flows are significantly stronger in second half with the seasonality of collection of APAC receivables
- Investment in product development reduced by $1.2M with centralised and focused product development. FY17 capex is forecast to reduce on prior year run rate by $1.5M to $10M annual spend
- Learnosity acquisition funding:
  - A$48.5m total consideration
  - FY17 funding
    - A$6.2m deferred payment (FY17 H1 A$3.5M paid and FY17 H2 A$2.7M)

FY17 H1– Balance sheet

$M	31-Dec-16	30-Jun-16	31-Dec-15
Cash and cash equivalents	4.2	4.3	3.1
Trade and other receivables	23.9	8.0	8.2
Income tax receivable	-	0.0	1.0
Total current Assets	**28.1**	**12.3**	**12.3**
Royalty receivable	0.1	0.1	0.1
Property, plant and equipment	1.1	1.2	0.8
Deferred tax assets	11.1	5.9	3.7
Intangibles and goodwill	14.4	23.9	20.8
Available for sale financial asset	2.6	6.6	6.6
Investments accounted for using the equity method	49.1	48.9	28.3
Total non-current assets	**78.4**	**86.6**	**60.3**
Total assets	**106.5**	**98.9**	**72.6**
Trade and other payables	9.1	10.8	8.1
Derivative financial instruments	-	0.3	0.2
Income tax payable	1.4	-	-
Deferred revenue	30.9	28.4	16.5
Provisions	1.6	2.0	1.1
Total current liabilities	**43.0**	**41.5**	**25.9**
Provisions	0.4	0.6	1.2
Borrowings	24.5	11.5	4.5
Deferred revenue	3.5	1.8	2.1
Total long term liabilities	**28.4**	**13.9**	**7.8**
Total liabilities	**71.4**	**55.4**	**33.7**
Net assets	**35.1**	**43.5**	**38.9**
Contributed equity	34.1	34.0	30.3
Retained earnings	(6.7)	2.2	1.7
Reserves	7.6	7.3	6.8
Non-controlling interest	0.1	0.0	0.1
Total equity	**35.1**	**43.5**	**38.9**

Key Points

- Net debt of $20.3M (peaks in December) of total debt facility of $30M.
- Trade receivables has increased to $23.9M with the move to rephrasing of subscription billing in APAC in November compared to Jan in previous year. (See slide 28 for more detail). Correspondingly current deferred revenue increased to $30.9M.
- Reduction in intangibles due to write down on technology assets (detailed on slide 20). Resulting in increase in deferred tax assets.
- Trade and other payables include final $2.7M deferred consideration on Learnosity investment payable in H2

Strategic Review of Technology Assets

Intangibles and Amortisation Profile

$M	Carrying Value 30-Jun-16	Additions	Amortisation	Impairment	Carrying Value 31-Dec-16
Mathletics & Spellodrome	14.6	4.3	(2.2)	(8.4)	8.3
IntoScience	3.3	0.1	(0.5)	(2.9)	-
Systems	1.4	0.2	(0.1)	-	1.5
Capitalised Product Development	**19.3**	**4.6**	**(2.8)**	**(11.3)**	**9.8**
Desmos	**6.6**	**-**	**-**	**(4.0)**	**2.6**
Total Technology Assets	**25.9**	**4.6**	**(2.8)**	**(15.3)**	**12.4**

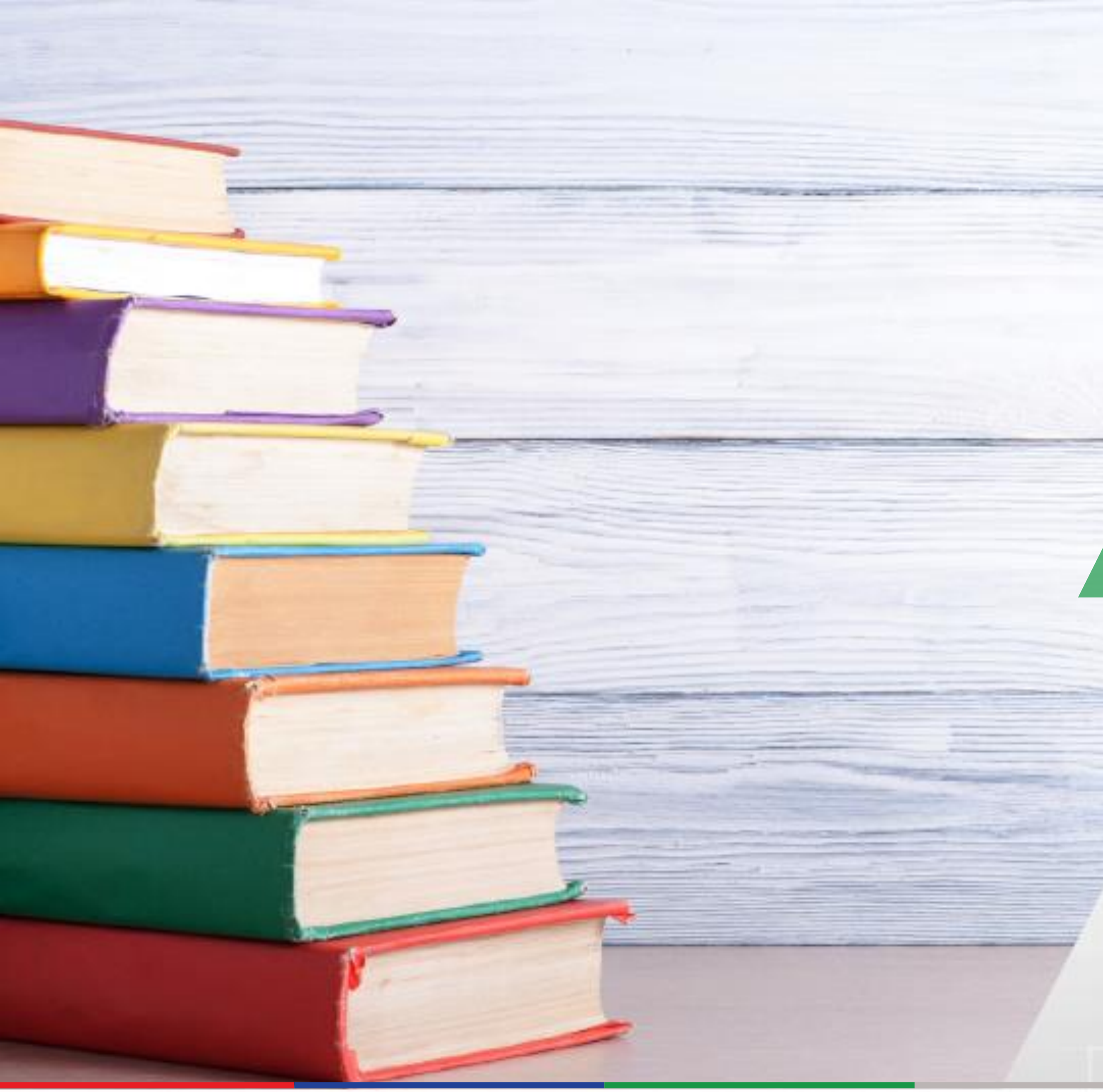
$M	Amortisation Profile*				
	FY17 H2	FY18	FY19	FY20	FY21	Total
Mathletics & Spellodrome	(2.3)	(3.6)	(2.1)	(0.3)	-	(8.3)
IntoScience	-	-	-	-	-	-
Systems	(0.4)	(0.7)	(0.4)	-	-	(1.5)
Capitalised Product Development	**(2.7)**	**(4.3)**	**(2.5)**	**(0.3)**	**-**	**(9.8)**

* Amortisation profile represents the amortisation charged to the profit and loss assuming no additional capital expenditure subsequent to 31 December 2017

Key Points

Strategic review of technology assets completed

- Resulted in the write-down of Mathletics & Spellodrome $8.4m and IntoScience $2.9m
- The carrying value of Desmos was written down to $2.6m as growth assumptions revised and change in customer mix
- Due to accelerating product development the estimated useful life of software and curriculum content has been reviewed and reduced from 5 years to 3 years
- Amortisation profile of remaining assets is included to assist investors with modelling



FY17 Outlook

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H2 FY17 Outlook

- Continued focus and execution of our 3 strategic priorities:

  (i) strengthen product portfolio,
  (ii) develop scalable sales and marketing and
  (iii) globalise our operating model

- Continue to deliver revenue growth greater than cost growth

- Set up 3P to be a Global Digital Business that can profitably scale sales through diversification of products, select geographic expansion and variable cost sales channels

Q&A

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Appendices

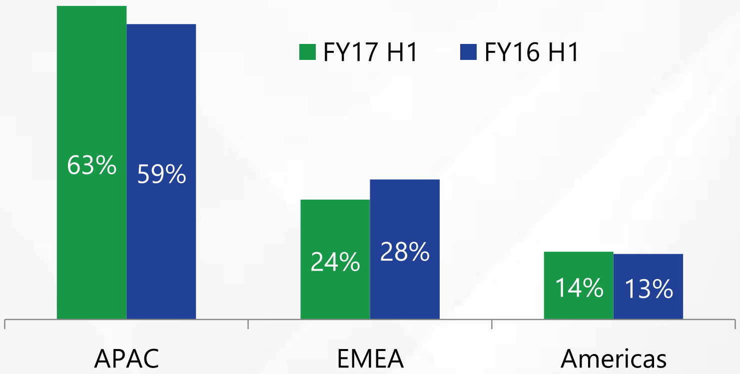
6

Revenue by Geography and Product

Revenue by Geography

A$M	FY12	FY13	FY14	FY15	FY16	FY17 H1	FY16 H1	Growth
APAC	22.2	24.2	24.6	30.1	30.8	15.7	13.5	16%
EMEA	4.5	5.5	8.6	10.3	12.6	6.0	6.4	-6%
Americas	1.7	2.3	3.3	4.4	5.9	3.4	3.0	13%
Total	28.5	32.0	36.5	44.8	49.3	25.1	22.9	10%

Revenue split by Geography

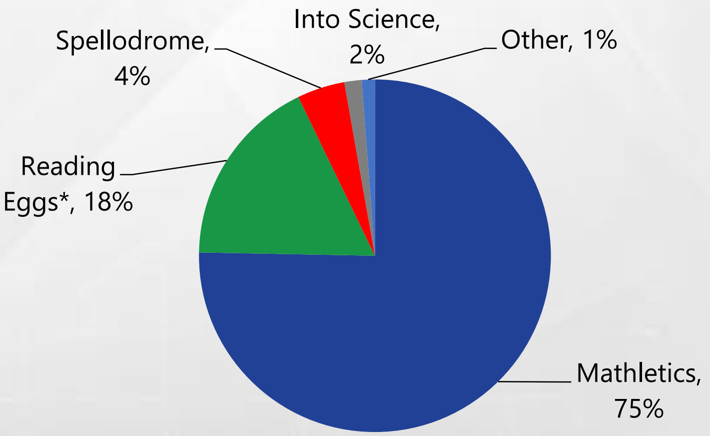


Revenue by Product

A$M	FY12	FY13	FY14	FY15	FY16	FY17 H1	FY16 H1	Growth
Mathletics	23.2	24.9	28.5	32.9	36.9	18.9	18.7	1%
Reading Eggs*	1.5	2.8	4.0	6.2	6.8	4.4	2.1	110%
Spellodrome	1.5	1.6	1.6	1.7	2.1	1.1	1.0	10%
Into Science	0.0	0.0	0.1	0.5	0.8	0.4	0.4	0%
Other **	2.2	2.7	2.3	3.5	2.7	0.3	0.7	(57%)
Total	28.5	32.0	36.5	44.8	49.3	25.1	22.9	10%

* Includes revenue on sale of Mathseeds
** Other Revenue includes copyright fees, workbook sales and sponsorships

Revenue Split by Product

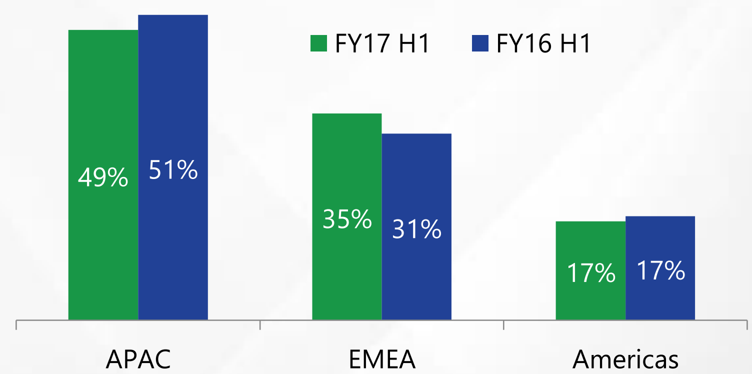


Licences by Geography and Product

Licences by Geography

000s	FY12	FY13	FY14	FY15	FY16	FY17 H1	FY16 H1	Growth
APAC	2,236	2,500	2,524	2,696	2,733	2,875	2,853	1%
EMEA	912	1,005	1,480	1,685	1,854	2,047 *	1,742	17%
Americas	316	358	662	931	1,065	979	970	1%
Total	3,464	3,863	4,665	5,312	5,652	5,901	5,566	6%

Licences split by Geography

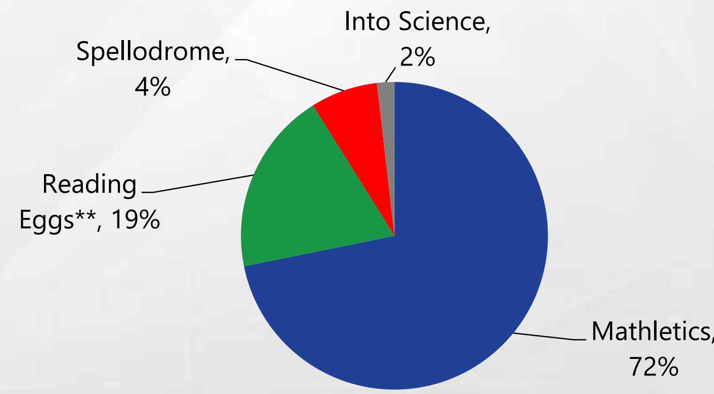


Licences by Product

000s	FY12	FY13	FY14	FY15	FY16	FY17 H1	FY16 H1	Growth
Mathletics	2,797	2,930	3,486	3,791	4,003	4,238 *	3,930	8%
Reading Eggs**	367	651	849	986	1,073	1,137	1,052	8%
Spellodrome	300	278	294	436	459	418	476	(12%)
Into Science	0	4	37	99	117	108	108	0%
Total	3,464	3,863	4,665	5,312	5,652	5,901	5,566	6%

* Adjusted for 185K Middle East licences for comparative purposes
** Includes licences on sale of Mathseeds

Licences split by Product



Statutory EBITDA

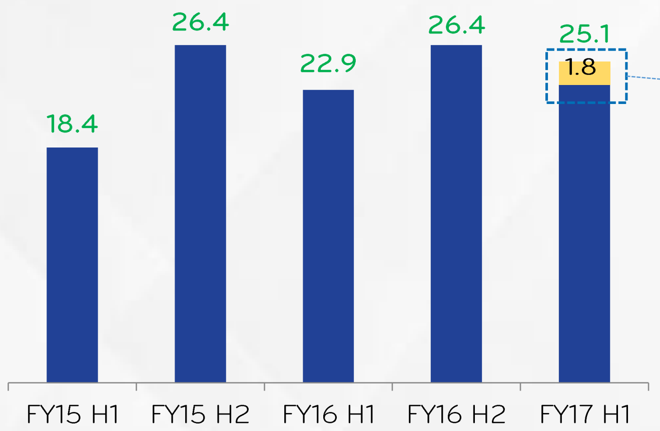
Reconciliation of Segment EBITDA to Statutory EBITDA

$M	FY17 H1	FY16 H1	Mvmt	Growth
APAC EBITDA	**11.5**	**9.2**	**2.3**	**25%**
Less : Corporate Costs and Development	(6.5)	(5.3)	(1.2)	(23%)
Add : Intersegment royalties	3.6	3.4	0.2	6%
Statutory EBITDA	**8.6**	**7.3**	**1.3**	**18%**
EMEA EBITDA	**3.6**	**3.1**	**0.5**	**16%**
Less : Intersegment Royalties	(2.3)	(2.3)	-	0%
Statutory EBITDA	**1.3**	**0.8**	**0.5**	**62%**
Americas EBITDA	**(0.3)**	**(0.5)**	**0.2**	**40%**
Less : Intersegment Royalties	(1.3)	(1.1)	(0.2)	(18%)
Statutory EBITDA	**(1.6)**	**(1.6)**	**-**	**0%**
Group Statutory EBITDA	**8.3**	**6.5**	**1.8**	**28%**

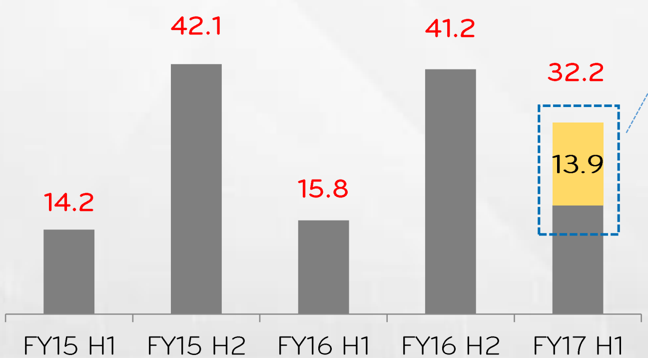
Statutory EBITDA as disclosure in Note 3 of Half Year Financial Report as at 31 December 2016

Subscription Billing with Auto Renewal - Improves Retention

Revenue seasonality (A$M)



Invoiced billings seasonality (A$M)



- To improve retentions we have moved to a subscription billing model with auto renewals. This has changed the timing of customer invoicing to November (previously Jan)in Australia resulting in increased accounts receivable, deferred revenue and $1.8M increase in Reading Eggs Revenue in H1, effectively a timing difference
- FX (particularly GBP) has impacted reported revenue by ($1.9M) offsetting the timing change noted above.

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