3P Learning

2025 ANNUAL REPORT

3P Learning Limited

ABN 50 103 827 836


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cup
cut
Growing a Sentence
The elephant was huge, but it was scared of a tiny mouse.
Mental Minute
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3 + 6 =
1 2 3 4 5
6 7 8 9 0

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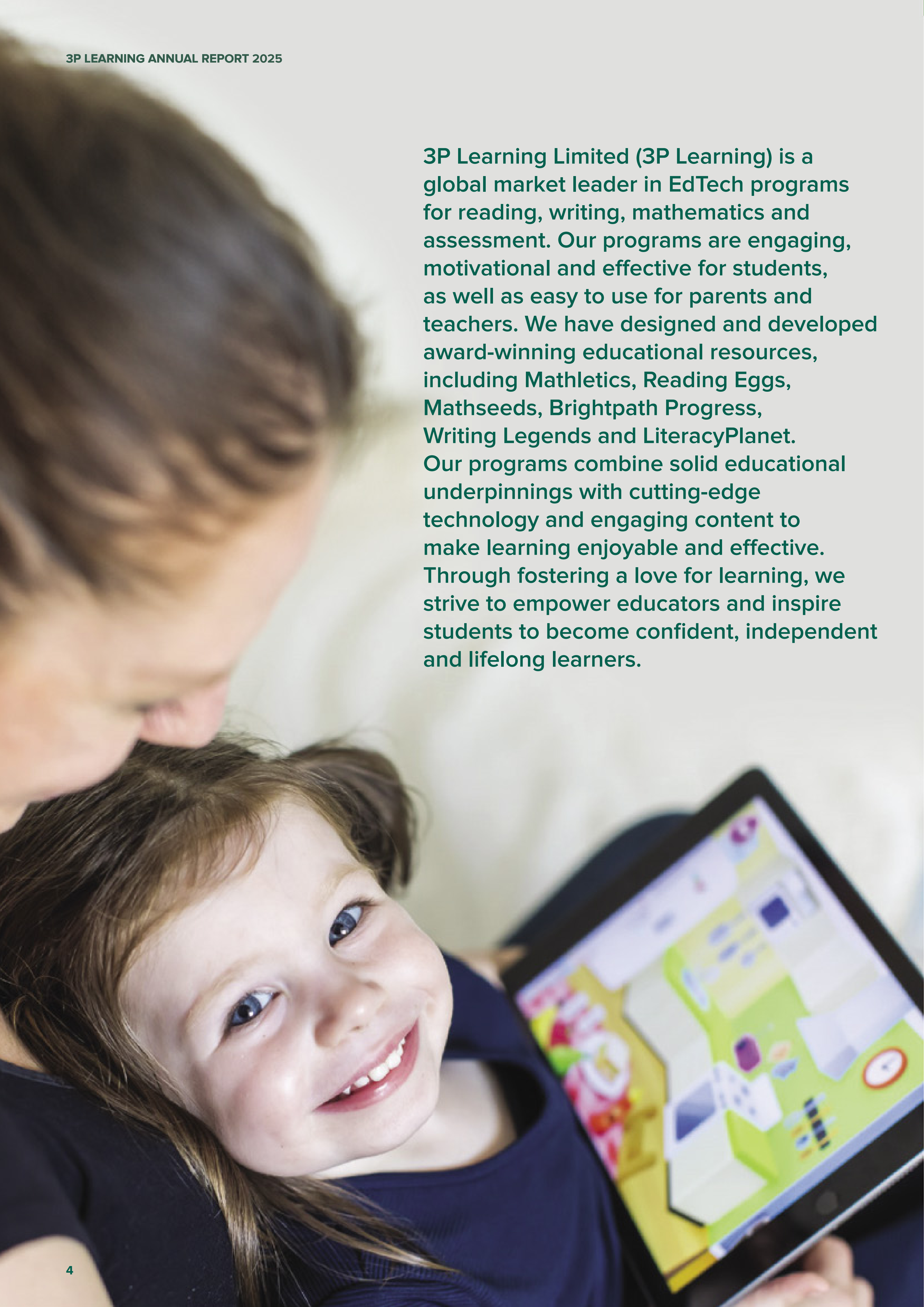
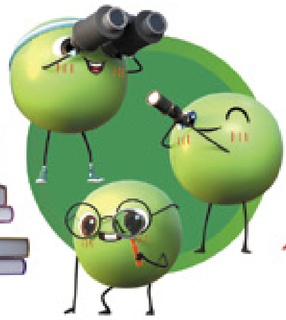


3P Learning Limited (3P Learning) is a global market leader in EdTech programs for reading, writing, mathematics and assessment. Our programs are engaging, motivational and effective for students, as well as easy to use for parents and teachers. We have designed and developed award-winning educational resources, including Mathletics, Reading Eggs, Mathseeds, Brightpath Progress, Writing Legends and LiteracyPlanet. Our programs combine solid educational underpinnings with cutting-edge technology and engaging content to make learning enjoyable and effective. Through fostering a love for learning, we strive to empower educators and inspire students to become confident, independent and lifelong learners.

Our Values and Purpose

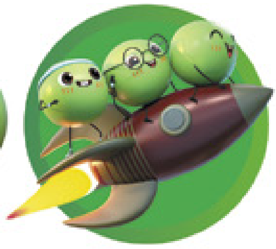
Create Lifelong Learners

We are a team who cares deeply about creating something special; we are purpose-driven and passionate about our work, as well as the success of all who we work with – our customers, our partners and each other.



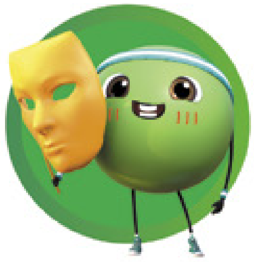
Find Better Ways

Discovering better ways to learn, work, create and live is the foundation of our culture. We strive to keep looking forward. We are always evolving, imagining more and being better at all that we do.



Make It Happen

We are a results-focused team who love to succeed. We are fast, flexible and set to achieve ambitious goals. We thrive on going further than we thought was possible.



Be Authentic

We are true to ourselves. We are respectful, courageous, unique and honest. We value diverse perspectives. We keep it real and we bring this to life in our actions and mindset to help us to achieve more.

Thrive Together

We are one global team, made of many. We are truly connected and empowered to succeed as individuals. We grow together, are stronger together and we trust one another.

Our purpose at 3P Learning

We are passionate about better ways to learn.

We want every child to learn the fundamental skills required for academic success (the three essentials of reading, writing and maths) and to develop a lifelong love of learning.

We are passionate about making a difference.

We recognise that literacy and numeracy are core life skills. We create learning programs that make a real difference in the lives of children, parents and teachers.

We are passionate about positive learning experiences.

Our programs are motivating and engaging, where learning is fun, playful and most of all, successful. We strive to make learning a joyful experience and believe that practice and play results in progress.

We bring our passion for Better Ways to Learn into everything we do.

We continuously improve our programs and our technology, so that learning with our programs is something to look forward to.

Our History

2005

Mathletics, our first product, was created

2008

Reading Eggs was launched by Blake eLearning Pty Ltd

2013

Mathseeds was released online by Blake eLearning Pty Ltd

Awards

ESSA certification

This financial year, our programs continued to undergo external study validations. Building on the existing ESSA Level II certification of Mathseeds and Mathletics, Reading Eggs achieved the significant milestone of Level III certification under the Every Student Succeeds Act (ESSA) in the United States, following a study conducted by the Mishawaka District in Indiana.

This milestone demonstrates the effectiveness of our programs for educators seeking reliable, research-backed educational tools.

The certification shows that completing just 50 Reading Eggs lessons helps students move from average to well above average in their reading skills—representing more than a year's worth of growth in a single school year.

Reading Eggs B2C awards

Mom's Choice Award: Reading Eggs retained its previous award for our website, with workbooks recently added to the award recognition.

Best Homeschool Curriculum, Products & Resources 2024–25: From the President of HowToHomeschool.com: "It is with immense pleasure and pride that I extend my warmest congratulations to you on being honored with the award for the Best Homeschool Curriculum, Products & Resources of 2024–25 by HowToHomeschool.com. This recognition is a testament to your exceptional dedication and innovative approach in the field of homeschooling education."

3P Learning

3P Learning was listed on the ASX

2014

3P Learning

3P Learning acquired Blake eLearning Pty Ltd in May

2021

brightpath PROGRESS

3P Learning acquired Brightpath Assessment in September

2022

Writing LEGENDS

Writing Legends launched

2023

Reading eggs

USA distribution rights were bought back

2024

LiteracyPlanet

3P Learning acquired LiteracyPlanet in January

2025

Parent Tested, Parent Approved: Awarded on 13 August 2024

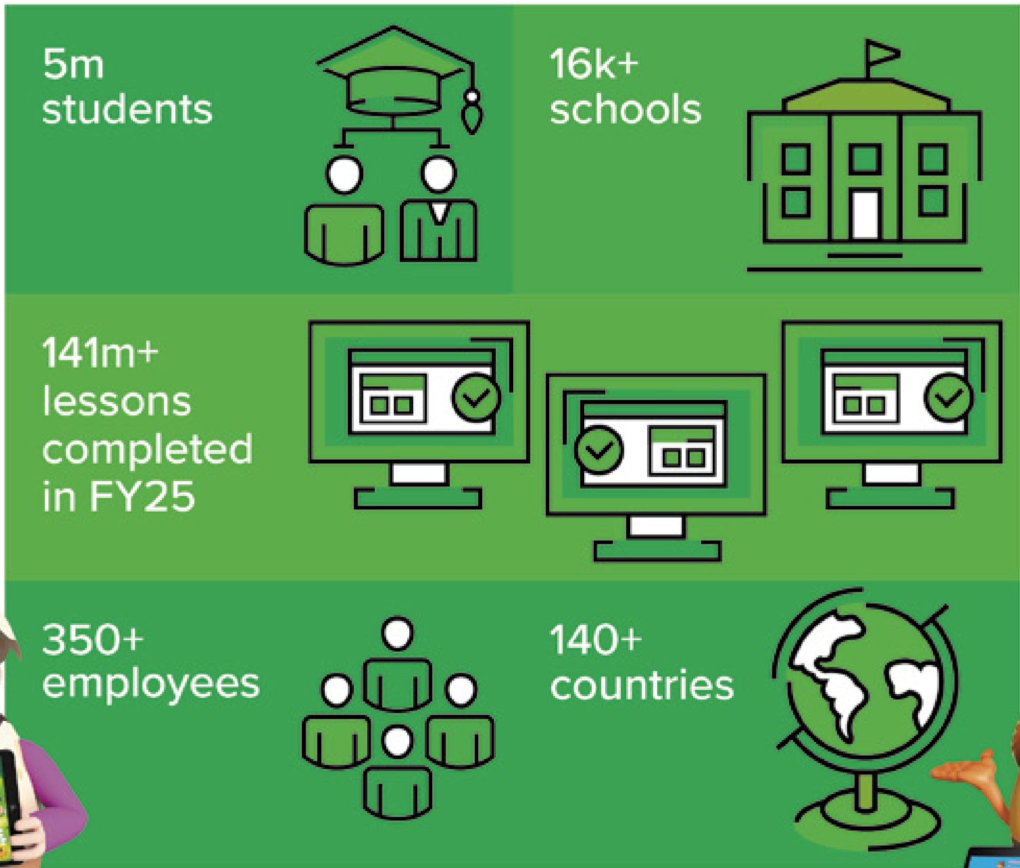
KidSAFE COPPA seal (again)

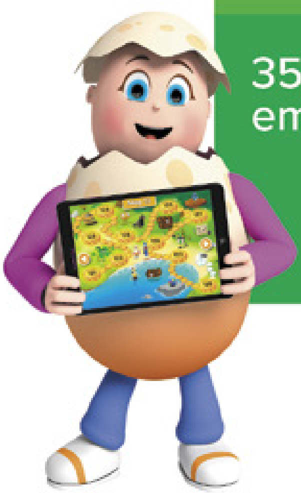
App of the Day: Reading Eggs was featured as App of the Day in the iOS store across multiple international markets. This represents the first time the program has been spotlighted outside Australia and New Zealand, demonstrating the global appeal and strength of the program.

3P Learning's Reach

Our world-leading programs harness the best elements of online learning, supporting educators and parents and motivating children to succeed in the three essential areas of **reading**, **writing** and **maths**. With interactive and engaging activities that match each student's individual ability, our programs are designed to reward and motivate children to keep learning and improving.

Reading eggs
Mathletics
brightpath PROGRESS
LiteracyPlanet
Mathseeds
Writing LEGENDS





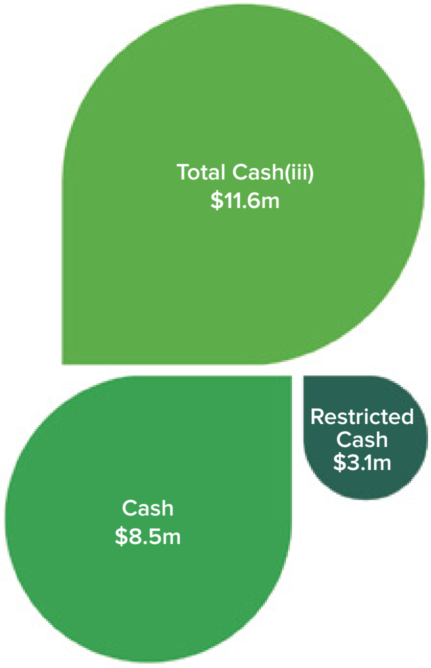
FY25 Performance

UNDERLYING EBITDA
$15.5m
+30%
vs pcp(i)

REVENUE (ii)
$109.1m
-1%
vs pcp(i)

B2C BILLINGS
$42.9m
-1%
vs pcp(i)

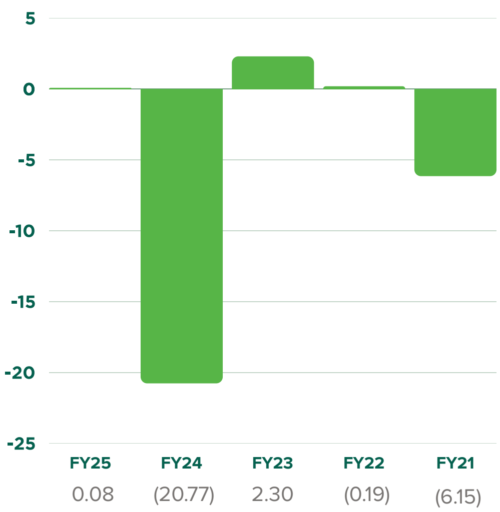
B2B ARR
$61.6m
-1%
vs pcp(i)



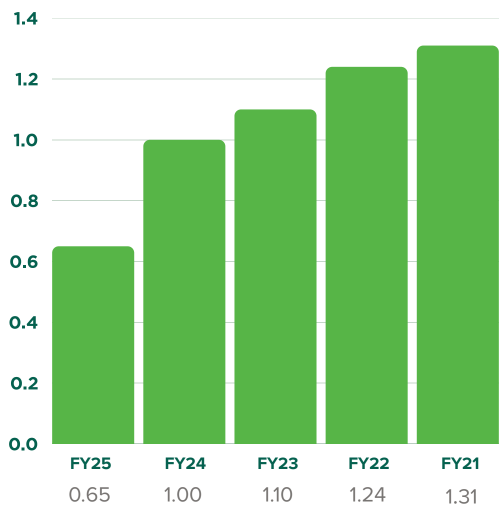
(i). pcp - prior comparison period which is FY24.
(ii). Revenue consists of revenue and other income.

(iii). Net cash at 30 June 2025 is $11.6m and is calculated as; $8.5m cash plus $3.1m restricted cash with no borrowings.

Statutory EPS (cents)



Share price



	FY21	FY22	FY23	FY24	FY25
No. of shares on issue	276.4m	276.4m	276.4m	272.9m	272.9m
Market Cap	$362.0m	$342.7m	$304.0m	$272.9m	$177.4m

Chairman's Letter to Shareholders

Matthew Sandblom

I'm pleased to report that we have increased Underlying EBITDA to $15.5m, which is 30% higher than in financial year 2023–2024. We also finished the year with $11.6m in net cash balances, $6.5m higher than last year. Revenue in the financial year 2024–2025 was fractionally lower than last year, at $109.1m.

After a period of significant investment in product development and acquisitions, 3P Learning has made good progress this year in executing the sales, marketing and business process improvements that we believe will deliver consistent top and bottom-line growth for years to come.

While there is still work to be done, I am also pleased to report that in the financial year 2024–2025 we launched and began selling 3 Essentials to schools across APAC and EMEA. Further, we completed the first renewal cycle for the Reading Eggs US school customers we acquired from Edmentum last year and, in Jaunary 2025, finalised the acquisition of LiteracyPlanet, for a purchase price of less than one times revenue.

For B2C, we have maintained our year-on-year sales levels, which is a reasonable result given the economic headwinds parents and families are facing in all our key markets.

We also recently released the first version of Homeschool Max, a project to cater to the home schooler market in the US. I'm particularly excited about this project as the home schooler market has seen huge growth in recent years, in both student numbers and government funding.

Early results are encouraging and support our view that a more complete offering of Reading Eggs with added teacher functionality will help us get significant growth in this multi-billion-dollar market.

As I outlined in my previous market update, the overall story for financial year 2024–2025 has been about keeping profitability up, and sales steady while we continue our business transformation to make our programs the leading source for learners and educators in PreK–6 reading, writing and maths (the 3Rs) across the main English-speaking markets.

We are also beginning to see improved productivity from the introduction of AI across most areas of the business. This is key to our plans to grow the business while keeping the cost base flat, leading to increased margins over the next several years.

The key goals for 3P Learning over the next 12 months are to greatly increase school adoption of the 3 Essentials package in APAC and EMEA and to drive strong billings growth in AMER in both the school districts and homeschool markets. If we can achieve these goals, then we will be confident the significant investments we have made over the past four years will have provided the base for long term, above trend, growth.

Yours sincerely

Matthew Sandblom
Executive Chairman

If we can achieve these goals, then we will be confident the significant investments we have made over the past four years will have provided the base for long term, above trend, growth.


Darcy T.
Lesson
60
465
od
11
12
Reading lessons
Home
My Program

Jose Palmero

From the CEO

We reached significant milestones in FY25 despite tough economic and competitive conditions across all regions in B2B and B2C.

During the year, we began transitioning from product build to go-to-market stage for our B2B customers. This included launching the 3 Essentials offering in APAC and EMEA and entering the second year of direct distribution of Reading Eggs to US schools – a strategic move to strengthen our position in the AMER region.

We also acquired 100% of the shares in Intrepica Pty Ltd (LiteracyPlanet) for cash consideration of $1.5m, to complement Reading Eggs as a literacy offering for older students. The acquisition added $2.2m to Annual Recurring Revenue and was completed in January 2025.

For B2C, we remained focused on improving contribution margin and increasing customer lifetime value in response to ongoing macro-economic pressures. Most recently, we also introduced a new initiative, Homeschool Max, to expand our reach in the growing US homeschool market.

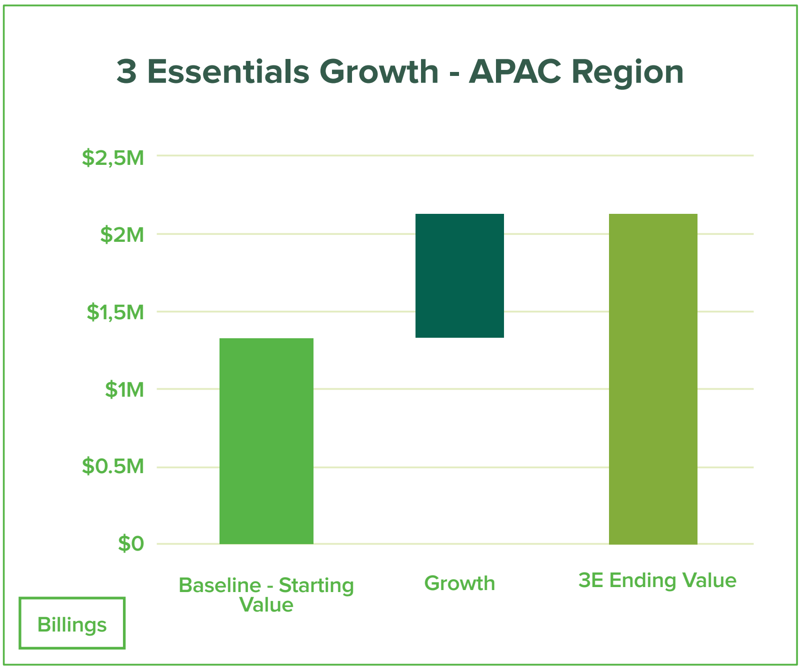
Product Development and Sales – Schools Market (B2B)

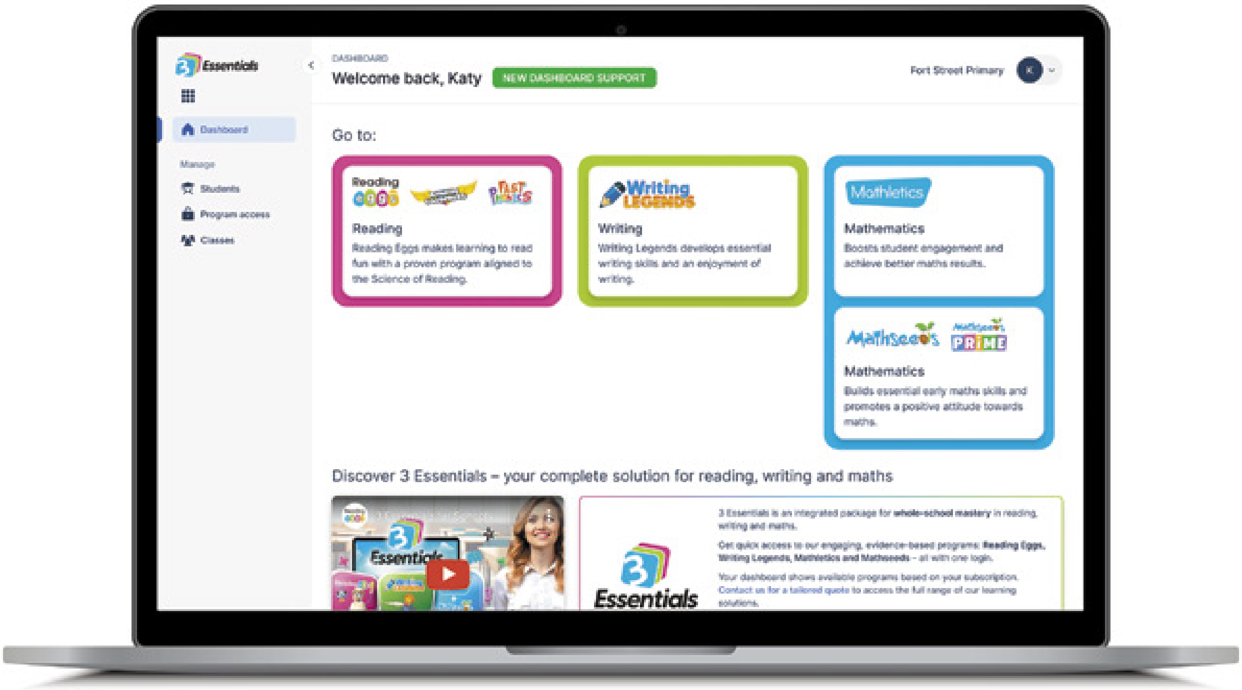
3 Essentials APAC and EMEA

We launched the initial phase of 3 Essentials in APAC in FY25, including a unified product landing page and identity system for Single Sign-On, simplified rostering and most recently, usage reports across all programs for more than 5,500 school customers.

The response so far has been positive, with about 450 schools upgrading to 3 Essentials in APAC by the end of June 2025 for a total value of $2.1m. This represents a 60% increase over what those schools were paying last year for the individual programs.

Of that group of schools, 75% were already subscribed to one or two of our programs, which is a good early indicator of the potential of 3 Essentials as a compelling solution for reading, writing and maths in primary schools and consequently, to help improve retention rates.





We also released the equivalent version of 3 Essentials in EMEA, starting with the UK and Ireland.

While in APAC the uptake has been mostly with existing customers, the product and pricing combination of 3 Essentials has resulted in a more attractive value proposition to new customers in EMEA.

By the end of June 2025, 50 schools in the UK - most of them new customers - had subscribed to 3 Essentials for about $160k in billings.

The next phase of product development for 3 Essentials will focus on additional integrations for AMER and EMEA, teacher experience, and school and district reports functionality.

Reading Eggs US and AMER

Following the acquisition of the Reading Eggs US Schools distribution rights from Edmentum in February 2024, we retained 76% by value of the approximately 4,300 US schools we acquired as customers from Edmentum in our first renewal period ending July 2025.

This was lower than expected which, in turn, affected our US and global retention rates in FY25, but the remaining book of business has provided us with strong selling opportunities for Reading Eggs and for cross-selling Mathseeds.

The acquisition of the Reading Eggs US Schools distribution rights, together with good retention rates for Canada, significantly increased the contribution margin of our AMER operations in FY25. By taking on direct distribution, we have reduced costs below the commission fees previously paid to Edmentum.

We should see further improvement in retention rates and new business sales as we build direct relationships with customers in the US and Canada through our hero products (Reading Eggs, Mathletics and Mathseeds) in FY26, before we release 3 Essentials in AMER.

Product Development and Sales: Parents and Home School Market (B2C)

B2C did well in FY25 to deliver revenue of $43.4m, which was $328k higher than last year, but still faced a tight consumer market, particularly in EMEA.

Highlights for B2C included:

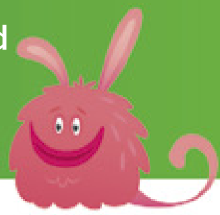
- billings growth of 2% from AMER region
- billings growth of 5% from Google Play / Android app
- billings growth of 4% for Mathletics B2C

In May 2025 we introduced an upgraded version of Reading Eggs, called Homeschool Max, aimed at the homeschool market in the US.

This gives subscribed parents, with up to four children, access to teacher functionality from the Schools version of Reading Eggs, such as assigning books and lessons, using resources from the Teacher Toolkit and comprehensive reports so parents can track student progress.

Alongside this initiative we were approved for Education Savings Accounts (ESA) funding status in eight US states and have applied to qualify for an additional eight states.

A big thank you to our team for your dedication, passion and commitment, and to our Board, shareholders and customers for your continued support, guidance and feedback.



ESA is a publicly funded, government-approved program that provides funding to parents for eligible educational purposes in K–12.

There are 887k students on ESA funding programs in the states for which we are approved, plus 138k students in the ones for which we have applied to qualify.

People and Culture

On the People and Culture front, we launched in April 2025 our Extended Leadership Team Program to recognise and help us develop our future Senior Leaders.

The ELT has 26 members, all of whom are strong contributors across different functions of the company and geographical regions.

This is an important part of our Learning and Development Plan, as it introduces ELT members to our strategic planning process and will play an active role in the execution of key business strategies.

This team is also essential to deliver operational improvements across our business, including the adoption of AI-driven technologies and workflows, to improve our ability to scale revenue and increase profitability. Recent work in the sales teams has already reduced the time consumed by administrative activities, enabling greater focus on higher-value selling tasks.

Revenue, Profitability and Cash Position

As I mentioned above, we have reached significant milestones following a period of considerable product investment. The financial scorecard for FY25, however, has only partly reflected the benefits of this work.

Revenue and other income for the year was $109.1m, which was 1% lower than last year's $110m, with higher than expected churn in B2B. This was mostly attributable to us taking over direct distribution of Reading Eggs in the US.

On a brighter note, we delivered Underlying EBITDA of $15.5m, which was 30% higher than last year's $12m. This reflects the cost reduction initiatives we implemented in the second half of FY24, which yielded annualised savings of about $5m this year, and the better contribution margin from AMER now that we are selling Reading Eggs directly to US schools.

Underlying cash flow from operations before tax was also strong at $14.2m, up $3.2m on the prior corresponding period, with cash balances of $11.6m at 30 June 2025, including $3.1m in restricted cash.

Key Priorities for FY26 and Beyond

Our main priority for the year ahead is to successfully execute our sales strategy to take advantage of the opportunities for Reading Eggs in AMER and 3 Essentials in APAC and EMEA so we can deliver billings growth for B2B.

For B2C, we see the initial market response to the Homeschool Max version of Reading Eggs, together with the funding opportunities available through ESA in the US, as catalysts to also start growing B2C billings and we expect to increase our investment if that proves to be the case.

Given that there is a timing gap between billings and revenue recognition, we will continue being disciplined with cost management, simplifying business processes and using technology tools including AI to maintain good profitability and cash generation. As our cash position continues to strengthen, we will consider reviewing our dividend policy.

While the revenue result for the year was somewhat disappointing, we have made good progress with the release of 3 Essentials in APAC and EMEA, our AMER strategy and B2C initiatives, while delivering significant improvements in Underlying EBITDA and cash position.

We work hard to build programs that have a positive impact on society, but we are equally conscious of our financial and business performance. We look forward to further improvements on both fronts, as we continue fulfilling our company purpose: Better Ways to Learn.

A big thank you to our team for your dedication, passion and commitment, and to our Board, shareholders and customers for your continued support, guidance and feedback.

Yours sincerely

Jose Palmero
Chief Executive Officer

Our Programs

Literacy

ABC Reading Eggs

Where students learn to read!

- Phonics and decoding instruction
- Explicit instruction from phonemes to fluency
- Vocabulary, high frequency words & comprehension
- 130 reading & 96 spelling lessons
- Read-aloud fluency program.

PreK–2

Fast Phonics

Where phonics is a rewarding adventure!

- Systematic, synthetic phonics covering letters and sounds phases 2–5
- Explicit instruction from sounds to words to decodable texts
- Decoding, blending & spelling practice.

K–2

ABC Reading Eggspress

Where students master fluency and understand complex texts!

- 220 research - based reading comprehension lessons
- A huge variety of fiction and nonfiction texts
- Structured spelling program of lessons
- Reading Journal with reading milestones
- Reading fluency program.

Years 2-6

Library

Where students explore thousands of books!

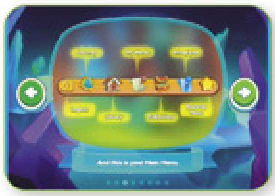
- Over 4,000 books with comprehension quizzes
- Searchable by title, topic, author, reading age and Lexile measure
- Covers all genres
- Hundreds of Phonics Readers included.

PreK–6

LiteracyPlanet

A vibrant online English literacy platform dedicated to student success that supports teachers worldwide!

- Personalised learning experiences
- Curriculum-aligned content
- Real-time insights and analytics
- Engaging educational resources.



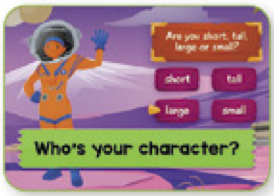
Ages 4–15

The ABC Reading Eggs Suite

Writing

Where students learn to write!

- Structured, research-based writing lessons
- Narrative, persuasive & informative units
- Explicit instruction from sentence to whole text
- Sentence-level grammar and vocabulary
- Mentor texts for every genre
- Instant feedback gives students ways to improve.

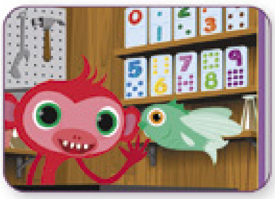


Years 1–6

Maths

Where maths is fun, achievable and rewarding!

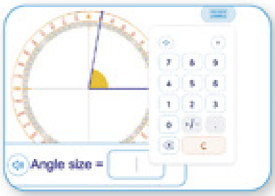
- 200 early maths lessons that build foundational number skills
- Number, operations, geometry & measurement
- Explicit instruction from concept to mastery
- Step-by-step guided problem solving
- Mental Minute maths fact fluency program.



K–3

Where learning maths can make you a Legend!

- Comprehensive curriculum coverage for each year level
- For developing maths mastery
- Independent fluency & skill-building tasks
- Easy-to-assign homework activities
- Live Mathletics competitions
- Differentiated practice for all learners
- Reasoning and problem-solving challenges.



K–10

Assessment

Formative assessments that make progress visible with clear next steps for learning!

- Delivers reliable and meaningful writing and mathematics formative assessments for teachers
- Respects and values teacher judgement
- Proven to improve the teaching and learning cycle
- Supported by government-led initiatives.

K–10

All programs include teaching units and lesson plans for ease of planning; printable student worksheets for offline reinforcement; plus extensive reports for tracking student growth.

What's coming in FY26

With the launch of 3 Essentials, we're committed to driving exceptional growth and fulfilling our motto: Better Ways to Learn.

Our main product objectives will be working on the Reading Eggspress revitalisation, along with strengthening all customer partnerships by showcasing clear return on investment through targeted case studies, usage analytics and outcome-based reporting.

We will implement scalable customer success initiatives and in-product engagement strategies that drive active usage and deep adoption. We will focus on our school district experience and enhancements to expand market share and improve conversion rates across the Americas, including WACG Web Accessibility Level AA compliance across all our products.

We aim to refine and localise the 3 Essentials suite based on regional feedback and performance insights to increase product–market fit and user satisfaction, while providing teachers with tools that ultimately help them deliver Better Ways to Learn.

3 Essentials

Achieved in FY25

High level of customers migrated (Clever and some districts pending)

Subscription usage data for admins

Cross-program reporting implemented

Long-awaited reading program controls

Coming FY26

Assess and Progress

Teacher Planning Assistant

Integrations to enable school customers to manage their classroom rosters and bring streamlined access to the classroom needs of teachers and learners

LiteracyPlanet

Coming FY26

Incorporate sunsetted WordFlyers High School content into LP program to increase reach

Mathseeds PRIME

Achieved in FY25

APAC and EMEA: 3 Essentials cross-program SSO, rostering and cross-program reporting

Top 3 Releases in FY25

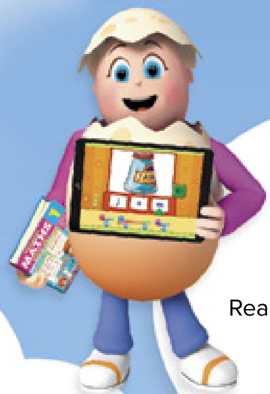
3Essentials (3P in AMER)

We completed the global migration of customers to our new teacher dashboard delivering the 3 Essentials brand (3P dashboard in the AMER region).

This significant achievement delivered Single Sign-On for our customers through one unified dashboard providing bigger insights into their usage and new cross-program reports, along with a unified dashboard for Reading Eggs, Mathseeds, Writing Legends and Mathletics as well as teachers, subscription coordinators and admins.

1. Including: New Student Landing page

A new guided learning experience for students, delivering all our products from one landing page. This also brings assignments and Weekly Quests across all our products into one student experience in a way that enhances student engagement and supports teaching objectives.



Reading Eggs

Achieved in FY25

Map 13 implemented

Initial milestones in WACG compliance

Reading Eggs and Mathseeds district reporting (student level)

APAC and AMER school-level curriculum reporting

Program Access Controls

HomeSchool MAX

Coming FY26

Reading Eggspress program revitalisation

Brightpath Progress

Achieved in FY25

EMEA: Writing assessment

Coming FY26

Reporting to standards

WCAG2.1 compliance

Mathletics

Achieved in FY25

3 Essentials

APAC:
New Courses Units: Number and Algebra Years 3–6
Replaced Learnosity with internal content authoring tool Years 3–6

Global:
Teacher dashboard and reporting updates
Live Mathletics and Activity courses rebuild

Coming FY26

District Reporting

Reporting to Standards

New Assessment area

Assign and Review (finish for Challenges and Skill Quests)

Writing Legends

Achieved in FY25

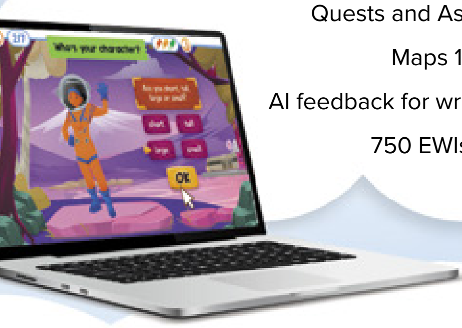
3 Essentials

Quests and Assignments

Maps 1-16

AI feedback for writing kicked off

750 EWIs live



Coming FY26

Long Writes

2. Classlink Integration

The most requested external integration tool for the AMER region was successfully delivered, building on the success and work completed to create a unified customer experience in our 3 Essentials delivery.

3. Mathletics District Level Reporting

Identified as a key customer issue for our US and Canadian customers, Mathletics district reports and reporting to standards were key deliverables achieved in this financial year.

Strategic Priorities

3P Learning is dedicated to long-term growth globally. In addition to offering our full suite of award-winning reading, writing, mathematics and assessment programs, we've identified the following key opportunities for growth in FY26, including our complete, integrated offering – 3 Essentials.

3 Essentials will finally offer schools all the essential learning programs they need to drive success across the three core academic areas of reading, writing and maths. After 20 years of development, this integrated offering, namely Reading Eggs, Mathletics and Writing Legends, means no more separate logins and the ability for schools to manage class information and simple reports from one place.

B2B key drivers for growth

Revenue growth through 3 Essentials and increased product bundling

- Prioritise selling bundles of our products, including complete online solutions for reading, writing and maths to schools.
- Simplify our pricing and packaging of bundles to make it easier for our sales teams to sell and customers to understand the value of our offer.
- Launch new reporting and teacher guided features to improve cross-program usage and interaction faster.

USA market expansion

- Expand our US-based sales team to maximise growth, with a focus on small and medium districts.
- Roll out product improvements for the market, including district dashboards and reporting.
- Improve sales operations through improved segmentation, localised marketing and automation of lower value sales functions.

Customer retention – improved profitability and efficiency

- Roll out simplifications to renewal process, including automations and quote-to-sale process.
- Enhance product usage and engagement with clear product ROI and upgraded onboarding.
- Reframe product positioning for core products through educator-led events and messaging focused on efficacy and seamless learning ecosystem.

B2C key drivers for growth

Improve user experience and conversion with AI-supported growth experiments

- Increase testing on registration and conversion flows, supported by AI tools to enable faster experimentation and improved understanding of success.
- Refresh the user experience, introducing milestones and in-app messaging to promote engagement.
- Implement advanced mobile measurement to adapt to changes in-app based sales channel.

Improve parent dashboard and reporting

- Enhance parent dashboard and reports with a mobile-first approach.
- Upgrade parent reporting to highlight child's progress.
- Tailor the dashboard for first-time users, emphasising starting points based on each child's age.

Grow revenue in the homeschool market with upgraded product features, targeting ESA funding

- Launch Homeschool MAX, our premium homeschool product with expanded teacher features, for the USA market.
- Expand approvals for ESA funding in USA to access growing opportunities for reading-focused initiatives.
- Explore partnerships with homeschool associations, online schools and tutoring services to expand market reach.

Business Model

By strategically investing in financial, intellectual, human and social capital, 3P Learning consistently generates value for its stakeholders, encompassing shareholders, employees, communities and customers. Our commitment to improving educational outcomes worldwide aligns with our mission to deliver Better Ways to Learn.

Capital	Input	Business activity	Outputs	Outcomes
Financial	Equity financing Internally generated cash flows Debt funding	Product development Fund operational costs Invest in growth opportunities	Profit after tax of $0.2m (FY24 $57.0m loss) Total cash and restricted cash of $11.6m (FY24: $6.1m) Total borrowings of nil (FY24: $1m) See *FY25 Performance*	Strategy and vision are supported and value created for shareholders Strategic acquisitions made to grow product offering and market share in the USA
Intellectual and technology	We invested $23.0m (FY24: $23.9m) in existing product enhancements and $4.1m (FY24: $3.6m) in new product development	Research and development of new and existing products	Launch of several new products See *What's New in FY26* section	Completion of award-winning product suites for classroom and home solutions
People and culture	Just over 350 individuals Value and purpose Governance structure	Collaborate in a high-performance culture and hybrid working environment	Retain high performers and talent	Motivated and engaged workforce Innovation and productivity
Social	Community initiatives and partnerships	Community engagement through educational programs Partnering with organisations	Continuation of 'Read to Learn' program Provision of 5,937 free product licences to schools in need See *People and Corporate Social Responsibility* section	High employee satisfaction and company stability Enhanced educational opportunities Strengthened relationships with stakeholders and communities

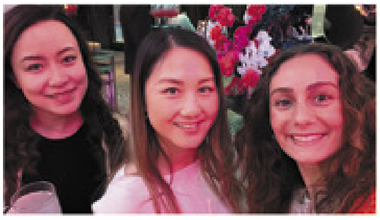

















DEAR ALGEBRA
PLEASE STOP
ASKING US TO
FIND YOUR X
SHE'S NEVER
COMING BACK










People and Corporate Social Responsibility

Our team at 3P Learning comprises an experienced Board of Directors, a strong leadership team and just over 350 talented individuals. 3P Learning values cognitive, cultural and individual diversity. We undertake initiatives that are designed to support and facilitate our commitment to an inclusive and diverse workplace. The range of initiatives we undertake includes flexible working, employee feedback, learning and development opportunities and more.

Gender

Overall Team

- Female: 55%
- Male: 45%

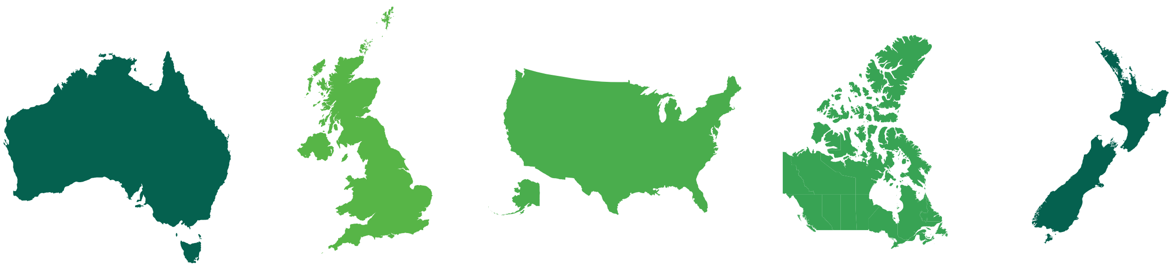
Board of Directors

- Female: 20%
- Male: 80%

Senior Leadership Team

- Female: 48%
- Male: 52%

Staff locations



Australia	United Kingdom	United States	Canada	New Zealand	Other
68%	12%	9%	8%	2%	1%

Community

3P Learning is committed to creating a positive impact in our communities as we pursue our company purpose: Better Ways to Learn. Our people are uniquely placed to improve the lives of students, teachers, schools and communities. We recognise both the opportunity and the skills that 3P Learning possesses to drive positive Community, Environmental, Social and Governance outcomes.

Digital Environment

We are mindful of privacy and data security for our customers as we navigate and operate in the digital environment. Our commitment to digital safety begins at the Board and its Audit and Risk Committee and extends to all staff interactions with our customers. 3P Learning products are designed by applying principles that limit and safeguard information as we deliver our joyful and effective education programs. We also work with digital and education bodies to ensure a safe online learning space (e.g. maintaining certifications from kidSAFE for our Reading Eggs product).

We do not sell personal data.

Giving Back

3P Learning's Giving Back initiative focuses on the contribution we want to make to education, both locally and globally. Staff volunteer their time to serve on the Giving Back Committee and lead the initiatives described below. The Giving Back program in 2025 comprises four tiers:

1. Working with partners

3P Learning continues to work with the Click Foundation, an NGO in South Africa, as part of its 'Read to Learn' program. In South Africa, 80% of Grade 3 and 81% of Grade 4 learners cannot read with comprehension in any language. Our Reading Eggs product has assisted in building core reading and comprehension skills to address this literacy crisis. This partnership delivers vital learning outcomes for students, as well as exposure to the digital environments that are foundational for their future success. It has resulted in over 200,000 students accessing Reading Eggs annually, with the Click Foundation facilitating the creation of over 800 jobs for youth and the installation of more than 20,000 computers.

2. Supporting schools in need

During the year ended 30 June 2025, our Giving Back team received 18 new requests from schools and outreach groups. We offered 3,232 free licences for 3P Learning products to new participants in our initiative, and 2,705 free licences to eligible continuing participants, to help students access our learning programs for reading, mathematics and writing. We recognise that the work of teachers and educators is at the heart of every community and that the schools and learning groups we help are challenged by social and economic barriers to learning. Since 2022, this program has connected with around 45 schools and groups to date and has utilised approximately 10,713 licences, contributing to the foundational skills of learners in our communities.

This year, 3P Learning acquired LiteracyPlanet, which has a long-standing partnership with The Smith Family in Australia. Through this partnership, LiteracyPlanet provides complimentary licences to help build literacy skills for children supported by The Smith Family. Additionally, 3P Learning has provided complimentary Reading Eggs licences for younger children in The Smith Family's programs in recent years.

In addition, our 3P Learning Giving Back Committee worked closely with Ronald McDonald Houses across Australia this year to provide complimentary licences for seriously ill or injured children and their families. In addition to the licences, we provided support and training to staff to ensure the programs are used effectively and can make a meaningful impact.

Our participating schools and outreach groups provide regular feedback to our team of volunteers and we continue to enhance how we can best support the efficacy of our programs with our Giving Back partners.

3. Supporting employees' passion projects

We support employee passion projects, where employees can partner with educational organisations and allocate product licences to them.

4. Supporting employees through workplace giving

3P Learning's Workplace Giving scheme matches employees' personal donations to selected charities.

The charities selected by our employees and supported through workplace giving program this year:

EMEA		APAC		AMER	
Magic Breakfast	Zarach	Camp Quality	Dandelion Support Network	Indspire	Kids In Need


Map 5

Governance

3P Learning's Corporate Governance framework empowers our focus on delivering long-term product excellence and creating and maintaining shareholder value. Our governance helps us fulfil our purpose of building Better Ways to Learn by guiding how we deliver our five company values daily to customers and by offering programs of choice to schools and parents. This approach seeks to ensure the creation and maintenance of our strong customer-facing brand and products, as well as long-term shareholder value.

Our passion to build Better Ways to Learn connects our Board to our shareholders; our governance and processes to our people; and our market-leading products to our customers.

Board of Directors

The role of the Board is to provide leadership and set the strategic objectives for 3P Learning. The Board oversees management's performance in implementing 3P Learning's objectives to achieve the company's ambitions.

Audit and Risk Committee

The role of the Audit and Risk Committee is to oversee the integrity of 3P Learning's financial reporting and effective risk management systems. This Board Committee also reviews and appoints the company's external auditors.

People and Culture Committee

The role of the People and Culture Committee is to oversee the remuneration framework for directors and key management personnel, and the alignment of remuneration, performance and reward to attract, retain and motivate employees who will create value for shareholders. This Committee also reviews nominations and evaluates the performance of the Board, individual Directors and the CEO.

Other committees may be established from time to time with specific responsibilities as delegated by the Board.

The Company's Corporate Governance Statement addresses the recommendations contained in the ASX Principles and Recommendations and is available on 3P Learning's website at https://www.3plearning.com/investors/governance/.

Governance Structure

The 3P Learning Board and executive leadership team are committed to workplace diversity in its broadest sense and consider this diversity and inclusiveness a strength of the business and an investment in the creation of a sustainable business capable of delivering long-term shareholder value.

Governance

The number of meetings of 3P Learning's Board of Directors ("the Board") and of each Board Committee held during the year ended 30 June 2025 and the number of meetings attended by each director, were:

	Full board		People and Culture Committee		Audit and Risk Committee	
	Held	Attend	Held	Attend	Held	Attend
Matthew Sandblom	7	7	-	-	-	-
Mark Lamont	7	7	5	5	4	4
Katherine Ostin	7	7	5	5	4	4
Allan Brackin	7	6	5	4	4	3
Belinda Rowe*	4	4	2	2	2	1
Craig Coleman	7	7	-	-	-	-

*Belinda Rowe resigned as Director on 20 November 2024.

The Board's two standing committees facilitate and assist the Board in fulfilling its responsibilities. Other committees may be established from time to time with specific responsibilities as delegated by the Board.

The composition of the committees throughout the financial year ended 30 June 2025 was:

Committee	Members	Independent	Non-executive
People and Culture Committee	Belinda Rowe (Chair) [1]	✓	✓
	Allan Brackin	✓	✓
	Katherine Ostin	✓	✓
	Mark Lamont (Chair) [1]	✓	✓
Audit and Risk Committee	Katherine Ostin (Chair)	✓	✓
	Allan Brackin	✓	✓
	Belinda Rowe[2]	✓	✓
	Mark Lamont	✓	✓

1 Following the resignation of Belinda Rowe, the new Chair appointed was Mark Lamont.

2 Belinda Rowe resigned as a Director on 20 November 2024.

Board of Directors

	 Matthew Sandblom	 Mark Lamont
Title	Executive Chairman Matthew has been a Director of the company since May 2021 and was appointed Executive Chairman from 25 August 2021.	Independent Non-Executive Director Mark has been a Non-Executive Director of the company since March 2018.
Qualifications	BA Economics	BA, Dip Ed
Experience and expertise	Matthew is an education entrepreneur with over 35 years of experience building successful companies. He started his first company, Pascal Press, in 1989 to publish school workbooks and study guides. Since then, he has founded or co-founded many successful companies including Blake Education, ClickView, 3P Learning and Blake eLearning. Matthew is driven by the idea of producing resources for students that deliver on the promise that they provide better ways to learn. He was a major shareholder of 3P Learning prior to its IPO in 2014 and remains a major shareholder today.	Mark has deep experience in the global education and EdTech sectors with particular expertise in Internet applications, international markets and strategic planning. Previously, he held key executive roles at myinternet Limited and Follett Corporation (USA).
Other current directorships	No other ASX listed entity.	No other ASX listed entity. Chair of EduGrowth Limited since January 2019; Chair of Typsy Group Pty Ltd since October 2021.
Former Directorships (last 3 years)	N/A	Non-Executive Director of Education Services Australia Limited to 29 February 2024.
Special responsibilities	N/A	Member of the Audit and Risk Committee Member of the People and Culture Committee (and Chair from November 2024)
Interests in shares	136,384,479	None

	 **Craig Coleman**	 **Katherine Ostin**
Title	Non-Executive Director	Independent Non-Executive Director
	Craig has been a Non-Executive Director of the company since 16 November 2022.	Kathy has been a Non-Executive Director of the company since 6 August 2021.
Qualifications	BCom	BCom, GAICD, Chartered Accountant, F Fin
Experience and expertise	Craig is co-founder and Managing Partner of Viburnum Funds Pty Ltd, a private and public equities fund manager. Previously, he was Managing Director and then Non-Executive Director of ASX-listed Home Building Society Limited, and prior to this, he held senior executive positions and directorships with ANZ, as well as serving as Non-Executive Director of ETRADE Australia Limited.	Kathy has strong financial, audit and risk management experience, having been a senior audit partner at KPMG from 2005 to 2017 before transitioning to her NED career in 2018. Her expertise extends to a broad sector of industries including technology, content and communications, media and entertainment.
Other current directorships	Non-Executive Chair of Sports Entertainment Group Ltd (ASX: SEG) since November 2017; and Non-Executive Director of GTN Limited (ASX: GTN) since June 2024; Non-Executive Director of Coventry Group Ltd (ASX: CYG) since April 2025.	Non-Executive Director of dusk Group Ltd (ASX: DSK) since September 2020; Next Science Limited (ASX: NXS) since October 2023; Elanor Commercial Property Fund (ASX: ECF); Elanor Investors Group (ASX: ENN) since January 2024; and Healius Limited (ASX: HLS) since December 2024.
Former Directorships (last 3 years)	Non-Executive Director of Universal Biosensors Inc (ASX: UBI) resigned June 2025.	Non-Executive Director of Capral Limited (ASX: CAA), resigned in May 2025.
Special responsibilities	N/A	Chair of the Audit and Risk Committee Member of the People and Culture Committe
Interests in shares	54,300,428 (indirectly, being the shares held by Viburnum Funds Pty Ltd and other related entities)	None

Board of Directors

	 **Allan Brackin**	 **Belinda Rowe**
Title	Independent Non-Executive Director	Independent Non-Executive Director
	Allan has been a Non-Executive Director of the company since 6 August 2021 and has been the Company's Senior Independent Director since 25 August 2021.	Belinda has been a Non-Executive Director of the company during the period 20 September 2021 to 20 November 2024.
Qualifications	BAppSc	BA, AFA (Advertising Federation Australia) Graduate, GAICD
Experience and expertise	Allan has over 40 years of experience in the technology industry and has a proven track record as a business builder and adviser. His expertise spans business strategy, sales and marketing, process re-engineering, change management, financial management, merger and acquisition activity and governance. Previously, Allan was the CEO and Managing Director of Volante Group Ltd, founder and CEO of AAG Technology Services and has served as Chair of Opticomm Ltd, GBST Ltd and RPM Global Limited.	Belinda is an experienced business leader and a successful marketing executive. Her extensive professional experience encompasses marketing communications, content, media and digital marketing technologies. She led media and marketing communications businesses for Zenith and Publicis Media globally while based in the UK, and held many senior roles in the marketing industry, including serving as CEO of ZenithOptimedia for 10 years in Australia and as Director, Brand & Marketing Communications for O2 Telefonica in the UK.
Other current directorships	Non-Executive Director of Wagners Holding Company Limited (ASX: WGN) since February 2025.	Non-Executive Director of ARN Media Ltd (ASX: A1N) since 5 February 2019; Non-Executive Director of Temple & Webster Group Ltd (ASX: TPW) since 26 February 2021; Non-Executive Director of Sydney Swans Limited since September 2021; Non-Executive Director of Sky New Zealand (ASX: SKT) since 1 March 2023.
Former Directorships (last 3 years)	Non-Executive Director of Sovereign Cloud Holdings Limited (ASX: SOV) to October 2022; Integrated Research Limited (ASX: IRI) to September 2023.	Soprano Design Ltd (resigned 2023)
Special responsibilities	Member of the Audit and Risk Committee Member of the People and Culture Committee	Roles held prior to resignation: Chair of the People and Culture Committee Member of the Audit and Risk Committee
Interests in shares	322,895	17,000 (as at November 2024)

Please note that in the previous tables, 'Other current directorships' refer to the current directorships for listed entities only, and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' refer to directorships held in the last three years for listed entities only, and excludes directorships of all other types of entities, unless otherwise stated.

Skill matrix

3P Learning seeks to achieve a range of skills, experience and expertise on the Board, together with the level of competence and understanding required to deal with current and emerging business issues to oversee 3P Learning's strategic objectives and performance.

The table below provides a summary of the skills identified and highlights the areas where each Director has significant professional expertise.

Skill / Experience	Matthew Sandblom	Mark Lamont	Katherine Ostin	Allan Brackin	Craig Coleman
Extensive public company board and/or C-level experience		✓	✓	✓	✓
Significant experience in developing effective corporate strategy	✓	✓	✓	✓	✓
Significant experience in accounting and finance, and capital management	✓		✓	✓	✓
Strong experience in identifying key risks to the organisation and legal compliance		✓	✓	✓	✓
Experience in M&A activity and investor relations	✓	✓	✓	✓	✓
Expertise in sales and marketing to consumer and B2B	✓	✓	✓		
Expertise and significant experience in digital, e-commerce, software enterprise leadership and management	✓	✓ B2B Only	✓	✓	
Distinguished career in education and education technology products	✓	✓			
Significant global business experience (more than three countries)	✓	✓	✓	✓	✓
Experience with labour, environmental, social and governance (ESG) initiatives		✓	✓		

Risks and Opportunities

The Board recognises that the proactive identification and management of risk is crucial to delivering 3P Learning's group strategy. Risk management enables the Board and Senior Leadership to make effective decisions and navigate toward our strategic goals. The ability to identify and appropriately manage risks is key to building long-term shareholder value.

The Audit and Risk Committee is responsible for 3P Learning's Risk Management Framework and for overseeing the implementation of effective risk management systems and processes. Within this framework, the Committee monitors both the risks that drive innovation and strategic objectives and the risk actions required to safeguard operations on an ongoing basis. The Committee has overseen the continuous development of a risk policy and risk management plan, which are reviewed and approved by the Board from time to time.

The Committee has satisfied itself that the processes and procedures followed for identifying, managing and reporting on risks are adequate. It should be noted that the risk factors discussed in the table below are not exhaustive but rather address those risks that are most relevant to 3P Learning.

	Key Risk	Key Response	Key Opportunity
Competition risks	3P Learning operates in a highly competitive and global industry. There are many online education participants targeting the school K–12 segment, many with significant resources and access to capital.	3P Learning actively monitors competitor activities and engages with market participants. Extensive market research is conducted and 3P Learning has developed core solutions referred to as 3 Essentials.	3P Learning is dedicated to differentiating our products, thereby creating increased value for our customers and establishing competitive advantages in the market.
Technology risks	3P Learning's technology platforms and systems might be disrupted by new technologies or become obsolete, which could affect 3P Learning's reputation, ability to generate income and financial performance.	Legacy components are actively identified and either retired or modernised.	Knowledge sharing of key legacy systems and building for the future ensures that our technology platforms are continually maintained, operate at high efficiency and serve as sources of information for future innovations.
Revenue and economic risks	The market in which 3P Learning operates is impacted by schools' ability to fund the purchase of education technology for their students. A significant decline in school funding, changes to schools' purchasing decision processes, or education regulatory changes in any market could result in reduced demand for 3P Learning's products. Sales made directly to consumers may also be impacted by general economic performance of a region.	3P Learning sells products in both B2B and B2C markets across multiple regions. This diversified footprint reduces the exposure to and reliance on funding, policies or economic changes experienced in any particular market.	By operating in B2B and B2C markets across multiple regions, 3P Learning has exposure to larger markets and increased growth opportunities.

	Key Risk	Key Response	Key Opportunity
Privacy and data security risks	As a technology-focused education business, compliance with privacy and data security, safeguarding customer and student data and managing information security are paramount considerations that influence 3P Learning's approach to all aspects of its operations and decision-making. 3P Learning is cognisant of the industry in which it operates and of the need to meet legal, community and customer expectations in relation to privacy of personal information and cybersecurity, as these risks have the ability to impact students, 3P Learning's reputation, sales and consequently shareholder value.	3P Learning seeks to manage privacy and system security risks through its risk management framework, which includes regular reviews of the nature and severity of these risks and the effectiveness of controls and mitigatory measures put in place to manage them. 3P Learning has implemented a privacy compliance framework to monitor and assess processes, and has developed and implemented data breach response plans. Additional measures to address this key risk include staff training and education, technical, administrative and physical security measures, as well as regular audits and testing conducted both internally and by independent advisers.	By consistently communicating and delivering on our commitments to ensure the privacy and safekeeping of personal information, we strengthen our relationships with our people and customers, building trust in our product solutions within a rapidly changing digital environment.
Cyber and digital environment risks	3P Learning's delivery of products and services operates in digital and web-based environments with vendors, customers and our technology solutions exposed to changing cyber security needs, cyber risks and threats.	3P Learning's product and technology teams review both the content and technology delivery of our programs and services to identify regarding potential cyber risks. 3P Learning seeks to safeguard the value of our digital and intellectual property assets for our shareholders and our learners, as overseen through our risk management framework.	Innovation and meeting our customers' needs align with the growing maturity of learning and working with digital tools. The growth of these markets for future-fit education applications represents a key opportunity for 3P Learning.
Exchange rate risks	Volatility in exchange rates can impact the Group's ability to maintain or grow margins.	Within our global operations, foreign exchange is managed on a weekly basis. In addition, the Board is of the view that natural hedges presently mitigate any exchange rate volatility risk for 3P Learning to an economically acceptable level. Natural hedging occurs when revenue earned by 3P Learning in a foreign currency exceeds or closely matches the expenses 3P Learning incurs in that same foreign currency.	3P Learning utilises its natural hedge advantage to engage in more proactive and strategic financial management practices. 3P Learning can also expand operations in foreign markets with favourable economic conditions.

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For the year ended 30 June 2025

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For the year ended 30 June 2025

Directors' report
30 June 2025

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "**Group**") consisting of 3P Learning Limited (referred to hereafter as the "**Company**" or "**parent entity**") and the entities it controlled at the end of, or during, the year ended 30 June 2025.

1. Directors

The following persons were Directors of 3P Learning Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Matthew Sandblom	Executive Chairman and Director
Allan Brackin	Non-Executive Director
Mark Lamont	Non-Executive Director
Katherine Ostin	Non-Executive Director
Belinda Rowe	Non-Executive Director, resigned 20 November 2024
Craig Coleman	Non-Executive Director

For all directorships of other listed companies held by the Directors above in the past 3 years, please refer to page 30-32.

2. Principal activities

The Group operates within the education technology sector. During the financial year, the principal continuing activities of the Group consisted of the development, sales and marketing of educational software and ebooks to schools and to parents of school-aged students, delivered via a Software-as-a-Service subscription model.

3. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

4. Review of operations

Business overview

The Group is a global leader in online education. The Group's 3 Essentials suite of reading, writing and maths products are designed to facilitate dynamic and engaging learning experiences for educator and learner alike, to address the complex challenges faced by teachers and students in the modern classroom and at home.

The Group has over 350 educators, engineers, product designers and other personnel around the world, servicing schools and parents in over 140 countries. Today, the Group is trusted by more than 5 million students in over 16,000 schools globally. The Group's mission is to enable "Better Ways to Learn".

A summary of revenue and other income for the year ended 30 June 2025 is set out below:

	2025 $ '000	2024 $ '000
Licence fees	**104,105**	105,604
Copyright licence fees	**3,385**	3,062
Other revenue	**1,395**	1,283
Total revenue	**108,885**	109,949
Other income	**191**	95
Total revenue and other income	**109,076**	110,044

4. Review of operations (continued)

Business overview (continued)

Total revenue for the year ended 30 June 2025 was $108.9 million (30 June 2024: $109.9 million).

Licence fees revenue decreased by $1.5 million to $104.1 million, down 1.4% on prior year reflecting higher churn in APAC and EMEA markets and the transition from our distributor partner in the USA.

A reconciliation of statutory loss before income tax benefit for the year to underlying earnings before interest, tax, depreciation and amortisation (Underlying "**EBITDA**") is as follows:

	2025 $ '000	2024 $ '000
Statutory loss before income tax benefit	**(96)**	(66,159)
Buy-back of distributor rights	**-**	19,628
Corporate advisory costs	**208**	238
Deferred contract costs on buy-back of distributor rights	**1,549**	-
Depreciation and amortisation expense	**10,634**	10,945
Finance costs	**545**	235
Gain on bargain purchase	**(234)**	-
Impairment losses	**-**	45,148
Interest income	**(280)**	(590)
Restructure and integration costs	**1,946**	2,168
Unrealised foreign exchange loss	**1,277**	391
Underlying EBITDA	**15,549**	12,004

Underlying EBITDA represents earnings before interest, tax, depreciation and amortisation, excluding unrealised foreign exchange losses and gains, corporate advisory costs, restructure and integration costs, buy-back of distributor rights, gain on bargain purchase, impairment losses and deferred contract costs on buy-back of distributor rights arising prior to the buy-back in the previous financial year.

The Directors have provided Underlying EBITDA after careful consideration of the requirements and guidelines contained in ASIC's Regulatory Guide 230 "Disclosing non-IFRS financial information". Underlying information, including this reconciliation to net loss after income tax benefit, has been provided to meet the demands from users of the financial reports for information to better understand aspects of the Group's performance. The Directors believe that Underlying EBITDA is the most appropriate measure of the maintainable earnings of the Group and thereby best reflects the core drivers of, and ongoing influences upon, those earnings.

Acquisition of Intrepica Pty Ltd

On 3 January 2025, the Group completed the acquisition of 100% of the shares in Intrepica Pty Ltd ("**LiteracyPlanet**"). The total cash consideration of $1.5 million consisted of $1.2 million in cash consideration paid to the shareholders of LiteracyPlanet and $0.3 million in acquisition-related cost. LiteracyPlanet revenue of $0.8 million and after tax loss of $0.4 million is included in the Group results, under the B2B segment, following the consolidation of LiteracyPlanet on 3 January 2025. Refer to note 35 for details.

4. Review of operations (continued)

Segment review

Segment revenue and other income for the year is as follows:

	2025	2024	Change	Change
	$ '000	$ '000	$ '000	%
Business-to-School (B2B)	**65,628**	66,924	(1,296)	(1.9%)
Business-to-Consumer (B2C)	**43,448**	43,120	328	0.8%
Total revenue and other income	**109,076**	110,044	(968)	(0.9%)

Segment Underlying EBITDA is as follows:

	2025	2024	Change	Change
	$ '000	$ '000	$ '000	%
Business-to-School (B2B)	**10,231**	5,040	5,191	103.0%
Business-to-Consumer (B2C)	**7,775**	9,190	(1,415)	(15.4%)
Corporate	**(2,457)**	(2,226)	(231)	10.4%
Total Underlying EBITDA	**15,549**	12,004	3,545	29.5%

B2B segment

Revenue and other income in the B2B segment decreased by $1.3 million to $65.6 million due to higher churn in the APAC and EMEA regions and the transition from our distributor partner to our in-house sales team in the USA, where we had to unwind longstanding product bundle relationships. This was completed in FY25.

Underlying EBITDA of $10.2 million in B2B has increased by $5.2 million due to careful cost management throughout the year and the reduction in product and technology costs as we passed peak product investment of the last 3 years.

B2C segment

Revenue and other income in the B2C segment increased by $0.3 million due to increased sales of yearly subscriptions and the introduction of a premium product for the USA homes market.

Underlying EBITDA of $7.8 million decreased by $1.4 million due to increased product and technology investment in the B2C segment.

Group performance

Loss before income tax was $96,000 (30 June 2024: loss of $66.2 million). The profit for the Group after providing for income tax and non-controlling interest amounted to $0.2 million (30 June 2024: loss of $57.0 million).

As at 30 June 2025, the Group has $8.5 million (30 June 2024: $2.0 million) of cash and cash equivalents and nil borrowings (30 June 2024: $1.0 million). At 30 June 2025, $3.1 million (30 June 2024: $4.1 million) of restricted cash (refer to note 12 for details) is held as security for the Group merchant banking arrangements. The aggregate of cash and cash equivalents, term deposits and restricted cash is $11.6 million (30 June 2024: $6.1 million).

4. Review of operations (continued)

Material business risks

The material business risks faced by the Group that are likely to have an effect on the financial prospects of the Group are outlined below. For detailed discussion of business risks refer to page 34.

Competition risks: The Group operates in a highly competitive and global industry. There are many online education participants targeting the school K–12 segment, many with significant resources and access to capital.

Technology risks: The Group’s technology platforms and systems might be disrupted by new technologies or become obsolete, which could affect the Group’s reputation, ability to generate income and financial performance.

Privacy and data security risks: As a technology-focused education business, compliance with privacy and data security, safeguarding customer and student data and managing information security are paramount considerations that influence the Group’s approach to all aspects of its operations and decision-making. The Group is cognisant of the industry in which it operates and of the need to meet legal, community and customer expectations in relation to privacy of personal information and cybersecurity, as these risks have the ability to impact students, the Group’s reputation, sales and consequently shareholder value.

Revenue and economic risks: The market in which the Group operates is impacted by schools’ ability to fund the purchase of education technology for their students. A significant decline in school funding, changes to schools’ purchasing decision processes, or education regulatory changes in any market could result in reduced demand for the Group’s products. Sales made directly to consumers may also be impacted by general economic performance of a region.

Exchange rate risks: Volatility in exchange rates can impact the Group’s ability to maintain or grow margins.

Cyber and digital environment risks: The Group's delivery of products and services operates in digital and web-based environments with vendors, customers and our technology solutions exposed to changing cyber security needs, cyber risks and threats.

5. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

6. Matters subsequent to the end of the financial year

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

7. Likely developments and expected results of operations

The Group’s growth is expected to be supported by the continuing trend of schools, teachers, parents and students seeking more engaging and interactive online learning resources with proven pedagogical efficacy.

The Group expects to continue to focus its product development and distribution efforts on the core areas of reading, writing and maths. The Group also expects to continue to invest in its scalable internal sales and marketing to support its growth in both existing and new territories.

8. Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

9. Information on Directors

Information and meetings of the Directors are included in the Board of Directors section on page 30.

10. Company secretary

Joyce Li (BA Communications, LLB, LLM) continues in office as the company secretary and brings her experience working with listed companies and corporate governance.

11. Shares under option

There were no unissued ordinary shares of 3P Learning Limited under option outstanding at the date of this report.

12. Shares under share appreciation rights

Unissued ordinary shares of the Company under share appreciation rights at the date of this report are as follows:

Grant date	Rights vesting date[iii]	Exercise price	No. of rights
07/02/2022	31/08/2024	$0.00	843,663
17/10/2022	29/08/2025	$0.00	1,648,442
29/09/2023	08/2026	$0.00	1,534,499[i]
20/11/2024	08/2027	$0.00	2,890,090[ii]

i. Share appreciation rights of 1,534,499 outstanding under this FY24 LTI grant at 30 June 2025 includes 214,617 share appreciation rights that will be forfeited in August 2025.

ii. Share appreciation rights of 2,890,090 outstanding under this FY25 LTI grant at 30 June 2025 includes 363,268 share appreciation rights that will be forfeited in August 2025.

iii. Subject to the share appreciation rights vesting following the assessment of performance measures, the period under which vested rights may be exercised is five years from the grant date.

No person entitled to exercise the performance and share appreciation rights had or has any right by virtue of the performance and share appreciation rights to participate in any share issue of the Company or of any other body corporate. For details of share appreciation rights issued and forfeited during the year, refer to note 21.

13. Shares issued on the exercise of share appreciation rights

There were no ordinary shares of the Company issued on the exercise of share appreciation rights during the year ended 30 June 2025 and up to the date of this report.

14. Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001* (Cth). The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

15. Indemnity and insurance of auditor

To the extent permitted by law, the Company has agreed to indemnify its auditors, KPMG, as part of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify KPMG during the financial year and up to the date of this report.

16. Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* (Cth) for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

17. Non-audit services

Amounts paid or are payable to the auditor for non-audit services during the financial year were $1,500 (2024: nil) as outlined in note 29.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor, is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 29 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001*.

18. Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by ASIC, relating to "rounding-off". Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

19. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001* (Cth).

On Behalf of the Directors

Matthew Sandblom
Executive Chairman

29 August 2025
Sydney

Letter from People and Culture Committee Chair

Dear Shareholder

On behalf of the Board of 3P Learning, I am pleased to present the Company's Remuneration Report for the financial year ended 30 June 2025.

Strategically, FY25 has been a year where we have continued to enrich our existing product offering, focusing both on content and enterprise functionality. Our ongoing commitment to the 3 Essentials in APAC, and its introduction to the EMEA market, has created an exciting opportunity for our teams to work cross-functionally, and globally, to meet market demands. We also have a well-established team in the Americas market who are gaining momentum with both B2C and B2B customers as we continue to enhance our product offerings for these segments.

As we evolve our strategy, we have restructured our workforce to ensure the right capabilities are in place for our next stage. This has included a further reorganisation of our Technology and Product teams to focus on key product deliverables and a restructure of our EMEA Sales team to drive our focus on the introduction of the 3 Essentials into schools within this region.

We saw a change in our Chief Financial Officer during FY25, with Anton Clowes stepping down and Adam McArthur appointed into the role in November 2024. Adam is well known to 3P Learning, due to his previous engagements with the company on a consulting basis, and has been able to hit the ground running in leading both the Finance and Operations teams across the group. Adam has been instrumental in driving our operational transformation agenda with a broad program of work underway to streamline our processes, platforms and capabilities as we seek to "find better ways" (in the words of one of our values).

Despite the impact of organisational change, our engagement results continue to be strong and our voluntary turnover is steady. Our people continue to see significant value in our company purpose and values, our approach to diversity and inclusion, flexible working, people leadership and social responsibility, all of which scored 85% or higher in our FY25 employee survey.

We have also recently formed a key global leadership cohort, known as our Extended Leadership Team (ELT) who are an important talent pool for our executive roles of the future. Our ELT came together in person for the first time in May from around the world to play a role in strategic planning and operational transformation and to commence the first of a series of development initiatives that will roll out across FY26.

Our executive remuneration has continued to be aligned with measures that support shareholder outcomes via aggregate Earnings Per Share and aggregate Group Revenue targets in our Long Term Incentive Plan, and group Revenue and Underlying EBITDA targets in our Short Term Incentive Plan.

FY25 Remuneration Outcomes:
- Our CEO and CFO received an increase in fixed remuneration. These increases were approved by the Board and within the 3% salary pool increase. Our CRO's fixed remuneration did not change due to a change in role in late FY24.
- In relation to Short Term Incentive (STI) targets for the CEO, CFO and CRO, these are comprised of group financial and non-financial targets (refer to section 2). A portion of these incentives will be paid, in line with targets that have been achieved, including 50% of the additional incentive for the CRO, based on achievement of the contribution margin target.
- In relation to Long Term Incentives, Share Appreciation rights were granted in FY23 to select executives including KMP, with performance measures over a 3 year period. This equity plan has been weighted equally between aggregate revenue and underlying earnings per share (EPS). Revenue was not achieved for the Long Term Incentive, however EPS was achieved.
- There were no changes to the existing Board fee base or Committee fees during the reporting period.

FY26 Remuneration Strategy

We propose to make one change to the targets used to measure short-term success within our executive remuneration structure in FY26. The previous target that pertained to Group Revenue achievement will be replaced by a Group Cash Billings target to focus all executives, and the broader business, on driving a more direct measure of short-term sales growth to enable insight to medium and long term initiatives. We believe this design to be favourable to the performance outcomes that shareholders are seeking. We do not propose any other changes to the current remuneration structure.

Our people and culture strategy for FY26 is focused on enhancing performance through great leadership, fostering emerging talent, developing the capabilities we need now and for the future and improving productivity through operational transformation.

We have a highly committed global team who are passionate about our incredible products and inspired every day by the difference that they make for children around the world. Our team are ready for the year ahead and we look forward to sharing more about 3P's ongoing success as we deliver our FY26 strategy.

Mark Lamont
People and Culture Committee Chair
29 August 2025
Sydney

Remuneration report (audited)

The Directors of 3P Learning Limited present the Remuneration Report ("**the Report**") for the Company and its controlled entities for the year ended 30 June 2025 ("**the Group**"). This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the *Corporations Act 2001* (Cth).

The Report details the remuneration arrangements for the Company's key management personnel ("**KMP**") comprised of:
• Non-executive Directors ("**NED**s")
• Executive Director, Chief Executive Officer ("**CEO**"), Chief Financial Officer ("**CFO**") and Chief Revenue Officer ("**CRO**") (collectively "the **Executives**").

Overview

The remuneration report is presented under the following headings:

1. Key management personnel

The KMP of the Group are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company and Group. The table below outlines the KMP of the Group and their movements during the financial year.

Name	Position	Term as KMP
Non-Executive Directors		
Mark Lamont	Non-executive Director	Full financial year
Allan Brackin	Non-executive Director	Full financial year
Katherine Ostin	Non-executive Director	Full financial year
Belinda Rowe	Non-executive Director	Ceased 20 November 2024
Craig Coleman	Non-executive Director	Full financial year
Executive Director		
Matthew Sandblom	Executive Chairman	Full financial year
Other KMP		
Jose Palmero	Chief Executive Officer (CEO)	Full financial year
Adam McArthur	Chief Financial Officer (CFO)	Appointed on 18 November 2024
Lynda Pendino	Chief Revenue Officer (CRO)	Full financial year
Former KMP		
Anton Clowes	Chief Financial Officer (CFO)	Ceased 18 November 2024

The Board welcomed the appointment of Adam McArthur as CFO on 18 November 2024.

The focus of this report is the remuneration arrangements and outcomes for the KMP listed in the table above. It also outlines information about the remuneration policy and arrangements for the Group's senior executive team more broadly.

2. Overview of executive remuneration

Overview of 3P Learning remuneration policy and structures

The People and Culture Committee ("P&CC") is responsible for developing, reviewing, making recommendations, and providing assistance and advice to the Board on the remuneration arrangements for the Company's Directors and executives and in relation to key employment policies and practices. The performance of the Group depends on the quality of its Directors and senior executives.

The Company's remuneration philosophy is to attract, retain and motivate exceptional performance and high-quality talent.

The Group's executive reward framework is based on objectives to:
- align senior executive rewards with achievement of strategic objectives and the delivery of shareholder value
- provide competitive remuneration packages that recognise both individual and organisational performance.

The remuneration framework, and any potential changes to that framework, are assessed on the following guiding principles:
- alignment to long-term value creation and strategy
- fairness for all stakeholders
- simple to understand and administer
- motivating to executives
- encouraging of executive ownership and accountability to the Company and its stakeholders.

The P&CC and the Board have structured an executive remuneration framework that is market-competitive; designed to retain and motivate the Company's leadership team; and sets a standard for transparency and good corporate governance.

The determination of non-executive Director and executive remuneration is separately addressed below.

During the financial year the Company did not engage remuneration consultants to advise on remuneration policy or the structure or level of executive remuneration. During the financial year, the fixed and variable remuneration levels and structure of executive KMP remuneration were reviewed. The base salary for the CEO was increased by 3% in line with a business review. The base salary remuneration for the CRO was unchanged during the financial year and following her appointment in May 2024. The variable incentives were developed against global financial targets and individual performance metrics to align with strategic plans and measurable targets. The fees for non-executive Directors were maintained at the same level as the prior year, subject only to the increase in statutory superannuation. The fee to the Executive Chairman was also maintained in the same arrangement as the prior year.

Our executive remuneration policy and structures

In light of the Group's remuneration philosophy, the Board considers the levels of fixed (base) remuneration and variable remuneration consisting of Short and Long-Term Incentives. The guiding principles of the remuneration framework are applied when considering the measures and targets for variable remuneration, alongside the Company's strategy and long-term shareholder value. The appropriate performance targets for Short and Long-Term Incentives are reviewed by the P&CC, and approved by the Board for the relevant executives.

Reviews of executive remuneration levels are conducted annually by the P&CC and are approved by the Board as follows:
- The remuneration of the CEO is reviewed by the P&CC to determine the optimal mix between fixed and "at risk" incentive components, and the appropriate measures and performance targets, prior to Board review and approval.
- The remuneration of the CFO, CRO and other non-KMP executives are reviewed by the CEO and P&CC in relation to the appropriate fixed remuneration and performance measures and incentives, and are approved by the Board.

The variable Short-Term Incentive ("STI") and Long-Term Incentive ("LTI") remuneration offered is set out below.

During the reporting period, the Executive Chairman receives remuneration under a services agreement. The services agreement provides that the Executive Chairman may receive remuneration capped at $100,000 and does not include variable STI or LTI remuneration. Since his appointment, the Executive Chairman has elected to receive a nominal fee of $1 per annum.

The following sections on remuneration for executive KMP do not apply to the Executive Chairman.

2. Overview of executive remuneration (continued)

Details for each of the individual components for remuneration for executive KMP in both FY25 and FY24 are as follows:

	Fixed	Variable or "At Risk" Performance-Based	
Remuneration Structure	Fixed remuneration *Attracts and retains high performance talent*	STI *Rewards current year performance*	LTI *Rewards longer term sustainable performance*
FY25 & FY24	• Fixed salary reviewed against benchmarks, market peers and experience • Includes superannuation and salary sacrifice non-monetary benefits	• 25–50% of fixed remuneration at target STI • Focus on revenue, Underlying EBITDA, key strategic projects and people leadership • Weighting of group "at target" performance targets: - revenue (up to 40%)* - Underlying EBITDA targets (up to 40%)* - key strategic projects (up to 20%) - people and culture KPIs (up to 20%). * "Stretch targets" can apply. B2B expansion target incentive (CRO only) *Rewards current year performance* • Improve B2B billings (50%) and contribution margins (50%) • Up to $100,000	• 25–50% of fixed remuneration at target LTI • Grant of share appreciation rights • Encourage greater executive ownership of the Company, strengthen alignment with long-term growth of the Company

2. Overview of executive remuneration (continued)

Elements of executive remuneration

Fixed remuneration

The fixed remuneration component consists of base salary, superannuation and other non-monetary benefits and is designed to reflect the executive's scope of their role and responsibilities, their skills, experience and qualification, and individual and group performance.

The fixed remuneration of the CEO is reviewed by the P&CC annually for performance against annual key performance indicators ("**KPIs**") set at the start of the financial year, as well as available market data including benchmarks to comparable roles in similar companies. The fixed remuneration of the CEO is approved by the Board.

The fixed remuneration of the CFO, CRO and non-KMP executives reporting to the CEO is reviewed by the CEO annually with consultation with the P&CC, and approved by the Board.

During the year, the fixed remuneration of the CEO was increased by 3% as compared to the prior financial year.

Performance-based remuneration

The "at risk" performance based remuneration components for eligible Executives and non-KMP executives align reward with the achievement of annual and longer term objectives of the Group, and the optimisation of shareholder value over the short and long term.

Short-Term Incentive

The STI plan provides eligible Executives and non-KMP executives with the opportunity to earn an annual incentive award which is delivered in cash. The key objectives of the STI program are to drive and reward outstanding performance against annual strategic financial and operational performance objectives, promote effective management of capital, and position the Company to continuously achieve in future years.

How is it paid?

100% of an STI award is paid in cash after the assessment of annual performance.

How much can an eligible Executive earn?

Eligible Executives and non-KMP executives have a target STI opportunity of up to 25% of fixed remuneration while the CEO has a target STI opportunity of up to 50% of fixed remuneration.

The FY25 target STI is designed to deliver strong performance and sustainable growth by motivating talent and rewarding performance. Participants have the opportunity to earn up to 100% of the STI target for achieving the target under each KPI.

For performance that significantly exceeds targets, the Board and CEO may consider increasing the target award above 100% (i.e. stretch targets). The Board retains the discretion to adjust STI outcomes up or down to reflect the achievement of results consistent with strategic priorities and alignment with shareholder value.

2. Overview of executive remuneration (continued)

How is performance measured?

The financial performance measures that are set for eligible Executives and non-KMP executives are based on a range of profit, revenue, key strategic project and people leadership targets.

For the current year, the Board considers the financial measures (revenue and Underlying EBITDA) to be appropriate as they are aligned with the Group's objective of delivering profitable growth and improved shareholder returns. The inclusion of key strategic projects and people leadership targets also refreshed the delivery focus for the Company's strategic plans and initiatives in relation to the 3 Essentials product offering, to build and sustain longer term shareholder returns. No amount is payable unless at least one of the financial metrics is achieved.

Summary of the performance measures and weightings for the "at target" FY25 STI plan:

	Financial year	Revenue	Underlying EBITDA	Key Strategic Projects	People and Culture
CEO	2025	35%	35%	20%	10%
CFO	2025	40%	40%	Not applicable	20%
CRO	2025	40%	40%	Not applicable	20%
Non-KMP executive	2025	40%	30%–40%	0%–20%	10%–20%

The performance measures for non-KMP executives consist of a range of business KPIs developed to align with their responsibilities. Stretch targets for financial KPIs can also apply.

If the participant commenced their role during the financial year, any STI payment that is made will be on a pro rata basis from their commencement date. Staff that are not actively employed at the date of the STI award payment is not eligible to receive the reward.

When is it paid?

The STI award is finalised and paid after the release of the Company's full financial year results in August, following a review of performance over the year against the STI financial and non-financial performance measures by the CEO (and in the case of the CEO, by the Board). The Board approves the final STI award based on the assessment of performance. The STI award is wholly paid in cash within two months after the end of the performance period.

Deferral terms

Payment of STI is not deferred.

B2B expansion target incentive

In addition to the STI opportunity, the CRO is eligible for an additional target incentive award of up to $100,000. Eligibility is based on two performance measures associated with improving B2B billings and contribution margins. The timing of payment is consistent with the STI.

Long-Term Incentive

To align with the creation of shareholder value, the Company's LTI Plan aims to reward KMP and non-KMP executives through the allocation of an equity award that is subject to specific performance conditions.

The LTI Plan has been developed with the objectives of aligning exceptional performance with medium- to long-term growth and shareholder value. The plan sets the appropriate measures and incentive to drive performance and execution of the Company's strategic goals over that longer term. The LTI Plan provides participants the opportunity to be awarded rights that may be exercised as issued shares subject to a combination of the vesting conditions. Those conditions were determined to be appropriate to align the performance objectives of the Company for growth and shareholder value, while balancing the terms that would attract, motivate and reward talented executives for performance over the performance period.

2. Overview of executive remuneration (continued)

How is it paid?

The 3P Learning Equity Incentive Plan Rules ("**Plan Rules**"), the incentive offer and the vesting conditions will determine the number of rights that vest, and how the incentive is paid, to eligible Executives.

During the current year, eligible Executives were granted Share Appreciation Rights ("**SARs**"). Subject to the Plan Rules, and in circumstances where the relevant vesting conditions are met, the eligible Executive can exercise their vested SARs during the Exercise Period to be allocated Company shares.

How much can an eligible Executive earn?

The eligible Executive has a target LTI opportunity of up to 25% of fixed remuneration, while the CEO has a target LTI opportunity of up to 50% of fixed remuneration.

The number of SARs issued was calculated by dividing the dollar value of LTI award opportunity by the value per share appreciation right and was determined by an independent valuer. Subject to the vesting conditions, the value of vested SARs is determined as the growth in share price from the notional exercise price to the share price at the date of exercise. The notional exercise price under the FY25 LTI plan is $0.99.

If the participant commenced their role within the financial year, the LTI opportunity is calculated on a pro rata basis based on their commencement date.

How is performance measured?

3P Learning's long term Equity Plans have been weighted equally between revenue and underlying earnings per share ("**EPS**") targets, and generally had a three-year vesting (performance) period.

The EPS measure under the FY25 LTI Plan is calculated after allowing for underlying adjustments for corporate transaction costs, depreciation and amortisation arising on purchase price accounting, integration costs, non-cash impairment losses, and retention bonuses.

The Board continues to consider the combination of revenue and EPS thresholds form an appropriate balance to ensure that "top line" growth is pursued over the medium to long term, whilst growth in earnings and a focus on shareholder value is maintained in each financial year.

The Board applied performance measures based on the aggregate performance over the three-year performance period for the SARs granted during the financial year under the Plan Rules. The Board considered that using the aggregate performance period (rather than measuring performance in the third year) would create the desired focus on growing shareholder value over the period in the rapidly changing environment of education technology.

The EPS and group revenue measures for the FY25 LTI SARs are based on:
- aggregate EPS measures over the three-year period of FY25, FY26 and FY27 (50% weighting)
- the Company’s aggregate group revenue over the three-year period of FY25, FY26 and FY27 (50% weighting).

2. Overview of executive remuneration (continued)

The proportion of SARs that may be awarded on the Company's performance over the aggregate three-year period is determined based on the following:

Performance level	% of Target incentive awards
Below Threshold	nil
Between Threshold and Target	Between 50% and 100%[i]
At Target	100%
Between Target and Maximum	Between 100% and 120%[i]
Maximum	120%

i. Vesting will occur on a straight line basis between two relevant vesting percentages.

In accordance with the Plan Rules and incentive offer, the Board retains discretion to adjust vesting conditions to ensure participants are not subject to a material disadvantage or obtain a windfall gain where there are circumstances which may impact the appropriateness of the original vesting conditions.

When is it paid?

Awards granted under the LTI plan will only vest upon satisfaction of certain vesting conditions that are defined by the Board. The performance measures against each vesting condition are assessed by the Board following the relevant full financial year at the end of the performance period.

Subject to the Plan Rules and once vesting conditions are met, the SARs are vested. Executives can elect to exercise any vested SARs during their exercise period to be issued shares in the Company. The exercise period for the SARs is usually within five years of the original grant date.

Any SARs which do not meet their vesting conditions at the end of the performance period will lapse.

Any shares issued in accordance with the exercise of rights issued under the Plan as described above will rank equally in all respects with other ordinary shares in the Company (except in regard to any rights attaching to such other shares by reference to a record date prior to the date of their allocation or transfer).

Vested SARs that have not been exercised during the exercise period will lapse.

What happens if an eligible Executive leaves?

If an eligible Executive ceases to be an employee of the Company, the following occurs in the applicable circumstances:

SARs have not vested, and:
- the Executive ceases to be an employee of the Company by reason of resignation, dismissal or in any other circumstance determined by the Board to be a "Bad Leaver", all unvested SARs lapse on the date of cessation; or
- the Executive is not a "Bad Leaver", the Board may, in its discretion, determine that all or a portion of the SARs vest immediately or at some future time. If no determination is made, the relevant SARs remain on foot, and are tested and vest on the original vesting date to the extent that the applicable vesting conditions have been met. These SARs are adjusted based on the date of cessation of employment.

SARs have vested, and:
- the Executive's employment ends other than as a result of termination for cause, the Executive has the lesser of 90 days from cessation or the period before the expiry of the vesting period to exercise the SARs; or
- the Executive's employment is terminated for cause, the vested SARs lapse immediately.

2. Overview of executive remuneration (continued)

Is there a malus and clawback provision?

Yes. The SARs may be forfeited if a "clawback" event occurs during the performance period. Such an event includes circumstances where an Executive has engaged in fraud, dishonesty or gross misconduct; where the financial results that led to the equity award are subsequently shown to be materially misstated; or where the behaviour of a senior Executive brings the Company into disrepute or impacts the Company's long-term financial strength.

What happens if there is a change of control?

Where a change of control event occurs prior to the SARs vesting, the Board may, in its discretion, determine whether all or a number of those rights lapse at the time of the change of control event or at a future point in time, or vest at the time of the change of control event or at a future point in time.

Are eligible Executives entitled to dividends?

No.

3. Performance and Executive remuneration outcomes in FY25

The actual remuneration earned by Executives in FY25 against the prior year is set out below. This provides shareholders with a view of the remuneration actually paid to these executives for performance in FY25 and the value of the LTIs that vested during the period if applicable.

Overview of Company performance

The table below shows the Group's performance history, the Company's share price and the effect on shareholder value over the past five financial years. The results shown are not fully comparable due to the acquisition of Blake eLearning Pty Ltd ("**Blake**"), changes in accounting standards and associated changes to accounting policy over that period. On 28 May 2021, the Group acquired Blake and since then the contribution from Blake is included in the results.

Financial year	**2025**	2024	2023	2022	2021
Revenue ($'m)	**108.89**	109.95	106.90	97.20[(ii)]	57.40
Underlying EBITDA ($'m)[(i)]	**15.55**	12.00	15.86	13.10[(iii)]	9.40
Statutory EPS (cents)	**0.08**	(20.77)	2.30	(0.19)	(6.15)
Share price ($) 30 June[(iv)]	**0.65**	1.00	1.10	1.24	1.31
Share buy-back ($'m)[(iv)]	-	4.45	-	-	-

i. Underlying EBITDA represents earnings before interest, tax, depreciation and amortisation, excluding unrealised foreign exchange losses and gains, corporate advisory costs, restructure and integration costs, buy-back of distributor rights, gain on bargain purchase, impairment losses and deferred contract costs on buy-back of distributor rights arising prior to the buy-back in the previous financial year.

ii. Following the acquisition of Blake on 28 May 2021, Blake contributed revenue from 28 May 2021 to 30 June 2021 in FY21. The year ended 30 June 2022 includes a full year of Blake revenue, therefore revenue increased materially compared to previous financial years.

iii. Unrealised foreign exchange gains and losses were previously included in Underlying EBITDA in FY22. The unrealised foreign exchange gains and losses are excluded from Underlying EBITDA in FY23 and the FY22 comparative year has been restated.

iv. In FY24, the Group initiated an on-market share buy-back program up to a maximum value of $10.0 million which commenced on 23 August 2023. The buy-back was for a period of 12 months, ending 22 August 2024. The Group considers the acquisition of shares at prevailing prices to be effective capital management, while retaining financial flexibility to fund accretive organic and inorganic opportunities as part of our growth strategy. As at 30 June 2024, the Group had bought back 3,577,648 shares worth $4.5 million, excluding transaction costs.

3. Performance and Executive remuneration outcomes in FY25 (continued)

Executive remuneration

Details of statutory remuneration (Australian Accounting Standards (AAS)) for Executive KMP, for the years ended 30 June 2025 and 30 June 2024 are set out below:

	Salary $	Cash bonus[i] $	Other[ii] $	Post employ-ment benefits (super-annuation) $	Accounting value of LTI awards and additional incentives[iii] $	Termination payments $	Other long-term benefit[ii] $	Total $	Perform-ance related %	Equity based %
Current Executive KMP										
Matthew Sandblom (Executive Chairman)[vii]										
2025	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**0%**	**0%**
2024	1	-	-	-	-	-	-	1	0%	0%
Jose Palmero CEO										
2025	**540,938**	**185,533**	**8,356**	**29,932**	**146,791**	**-**	**16,256**	**927,806**	**36%**	**16%**
2024	526,844	-	(13,480)	27,399	209,904	-	11,149	761,816	28%	28%
Adam McArthur CFO[iv]										
2025	**207,393**	**37,132**	**1,948**	**18,690**	**9,833**	**-**	**-**	**274,996**	**17%**	**4%**
2024	-	-	-	-	-	-	-	-		
Lynda Pendino CRO[v]										
2025	**380,625**	**111,500**	**17,148**	**29,932**	**48,156**	**-**	**437**	**587,798**	**27%**	**8%**
2024	63,767	6,035	7,627	4,566	10,965	-	8,155	101,115	17%	11%
Total remuneration for current executive KMP										
2025	**1,128,957**	**334,165**	**27,452**	**78,554**	**204,780**	**-**	**16,693**	**1,790,601**	**30%**	**11%**
2024	590,612	6,035	(5,853)	31,965	220,869	-	19,304	862,932	26%	26%
Former Executive KMP										
Anton Clowes Former CFO[vi]										
2025	**129,087**	**-**	**3,901**	**16,963**	**(45,885)**	**143,965**	**-**	**248,031**	**0%**	**0%**
2024	333,000	-	14,974	27,500	65,438	-	-	440,912	15%	15%

i. Cash STI and B2B expansion target incentive awards are paid after the end of the financial year to which it relates but is allocated to the earning year.
ii. Based on the requirements of accounting standards, other and other long-term benefits represent the net movement of annual leave and long service leave entitlements respectively.
iii. The accounting value of LTI awards and additional incentives is the calculated movement in the value of the FY22–FY25 plans.
iv. Adam McArthur was appointed as CFO on 18 November 2024. The CFO's salary and other benefits where applicable are proportioned.
v. Lynda Pendino was appointed as CRO effective 1 May 2024. Her salary and other benefits where applicable are proportioned in the FY24 year.
vi. Anton Clowes ceased to be CFO on 18 November 2024. His salary and other benefits where applicable are proportioned.
vii. Matthew Sandblom receives fees for service under a consultancy services agreement.

3. Performance and Executive remuneration outcomes in FY25 (continued)

In line with general market practice, a (non-AAS) presentation of remuneration with respect to the FY25 and FY24 reporting periods is provided in the table below, to give shareholders a more informative picture of actual remuneration outcomes within the financial year. The table below represents the total cash remuneration paid to Executive KMP during FY25 and FY24.

	Salary[(i)] $	Cash bonus[(ii)] $	Other[(iii)] $	Post-employment benefits (super-annuation) $	LTI and additional incentives exercised[(iv)] $	Termination payments $	Total remuneration $
Current Executive KMP							
Matthew Sandblom (Executive Chairman)[(v)]							
2025	**1**	**-**	**-**	**-**	**-**	**-**	**1**
2024	1	-	-	-	-	-	1
Jose Palmero, CEO							
2025	**540,938**	**-**	**-**	**29,932**	**-**	**-**	**570,870**
2024	526,844	-	-	27,399	-	-	554,243
Adam McArthur, CFO[(vi)]							
2025	**207,393**	**-**	**-**	**18,690**	**-**	**-**	**226,083**
2024	-	-	-	-	-	-	-
Lynda Pendino, CRO[(vii)]							
2025	**380,625**	**6,035**	**-**	**29,932**	**-**	**-**	**416,592**
2024	63,767	-	-	4,566	-	-	68,333
Total remuneration for current executive KMP						-	
2025	**1,128,957**	**6,035**	**-**	**78,554**	**-**	**-**	**1,213,546**
2024	590,612	-	-	31,965	-	-	622,577
Former Executive KMP							
Anton Clowes, Former CFO[(viii)]							
2025	**129,087**	**-**	**48,554**	**16,963**	**-**	**143,965**	**338,569**
2024	333,000	-	-	27,500	-	-	360,500

i. The salary is aligned with the salary in the statutory remuneration table.
ii. Cash STI and B2B expansion target incentives is paid in the outlined financial year however the payment relates to the result of the previous financial year.
iii. Other represents the amount of annual leave paid out on cessation of employment.
iv. As an outcome of the Group's performance during FY24, 50% of the FY22 LTI award to the Executive vested in FY25. The LTI will be paid in equity settled awards, and will be shown when exercised by the individual at the prevailing price and adjusted for any change in value up until the point of exercise.
v. Matthew Sandblom receives fees for service under a consultancy services agreement.
vi. Adam McArthur was appointed as CFO on 18 November 2024.
vii. Lynda Pendino was appointed as CRO and became a member of KMP effective 1 May 2024.
viii. Anton Clowes ceased to be CFO on 18 November 2024.

3. Performance and Executive remuneration outcomes in FY25 (continued)

Short-term incentives

STI for the 2025 financial year

The target STI opportunity for the financial year ended 30 June 2025 was an amount equal to 25% for eligible Executives' fixed remuneration and 50% in the case of the CEO.

Who are the participants of the STI?

The CEO, CFO and CRO are members of KMP who participated in the STI Program for FY25. As at 30 June 2025 there were three other non-KMP executives that were also participants, bringing the total number of senior executive participants to six. Specific information relating for the STI component for the CEO, CFO and CRO for FY25 is set out below.

Executive KMP	Position/Title	Actual STI payment	Accrued STI payment	% of Target STI payable
Jose Palmero	CEO	-	185,533	65%
Adam McArthur	CFO	-	37,132	60%
Lynda Pendino	CRO	6,035(i)	61,500	60%

i. This represents the payment of STI accrued in FY24. The CRO became a member of KMP effective 1 May 2024. Therefore the CRO's salary and other benefits where applicable are proportioned for prior year.

CEO Performance measure	FY25 - At Target	FY25 Performance(i)	% of Target incentive award(ii)	Weighting
Revenue	$115m	Not met	0%	35%
Underlying EBITDA(iii)	$15m	Met	100%	35%
Key Project - Growth	Internal growth target	Met	100%	10%
Key Project - Product	Product delivery targets	Met	100%	10%
People Leadership	People and Culture measures(iv)	Met	100%	10%

CFO Performance measure	FY25 - At Target	FY25 Performance(i)	% of Target incentive award(ii)	Weighting
Revenue	$115m	Not met	0%	40%
Underlying EBITDA(iii)	$15m	Met	100%	40%
People and Culture	People and Culture measures(iv)	Met	100%	20%

CRO Performance measure	FY25 - At Target	FY25 Performance(i)	% of Target incentive award(ii)	Weighting
Revenue	$115m	Not met	0%	40%
Underlying EBITDA(iii)	$15m	Met	100%	40%
People Leadership	People and Culture measures(iv)	Met	100%	20%
Key Project - Growth	Internal growth target	Not met	0%	Not applicable

i. The CEO, CFO and CRO met measures designed to assess the positive alignment of people & culture strategy with corporate objectives The CEO also met specific measures in relation to growth and product delivery projects that were aligned with the FY25 Product strategy in B2B and B2C. However as the revenue and Underlying EBITDA targets were not achieved, the incentive targets were not awarded for these performance measures. The targets and measures as non-KMP align with strategic delivery of the company's objectives.
ii. This is based on the "at target" metrics outlined under "How much can an eligible Executive earn?" discussed earlier in this report.
iii. Underlying EBITDA represents earnings before interest, tax, depreciation and amortisation, excluding unrealised foreign exchange losses and gains, corporate advisory costs, restructure and integration costs, buy-back of distributor rights, gain on bargain purchase, impairment losses and deferred contract costs on buy-back of distributor rights arising prior to the buy-back in the previous financial year.
iv. The People and Culture targets reflected measures to focus executives on company culture and employee engagement. The measures are selected based on improving % ratings on key engagement criteria from internal surveys periodically used by the Company to gather feedback from employees. The data and feedback collated through surveys enabled performance to be measurable, and discretion may be applied by the Board following a review of specific activities and performance for the Executive.

3. Performance and Executive remuneration outcomes in FY25 (continued)

B2B expansion target incentive for the 2025 financial year

In addition to the STI opportunity, the CRO is eligible for an additional target incentive award of up to $100k. Eligibility is based on two performance measures associated with improving B2B billings and contribution margins. The FY25 performance targets were partially met and 50% of the target incentive award was achieved, resulting in an accrued payment of $50,000.

Long-term Incentives

Who are the participants of the LTI?

The CEO, CFO, CRO and other non-KMP executives are eligible to participate in the LTI plan. As at 30 June 2025 there are six participants.

Performance conditions and disclosure of targets

The publication of prospective revenue and EPS targets for future performance periods would require the disclosure of commercially sensitive information. Accordingly, the Company will not disclose prospective targets but will disclose historic targets and the Company's performance against those targets. The hurdles for the SARs granted in FY25 will be disclosed in August 2027 after the applicable performance period.

2023 LTI Award – Performance condition outcomes

The grant of SARs under the Company's LTI plan was made in FY23, with performance conditions to be tested with respect to the audited FY23, FY24 and FY25 full year results (the "**FY23 LTI Years**").

The EPS and Group revenue performance measures each account for 50% of the vesting conditions of the SARs.

The EPS in relation to the SARs granted under the Company's FY23 LTI plan is referring to statutory EPS adjusted for amortisation related to purchase price accounting, corporate advisory costs, costs associated with the buy-back of distribution rights during the relevant period, impairment losses and restructure and integration costs.

The outcomes for the relevant revenue and EPS targets are assessed based on the financial results for the FY23 LTI Years. A number of SARs will vest as an outcome of the Company's FY23 LTI Years and the following outcomes relate to the LTI grants awarded in FY23:

Performance measure	Cumulative target	FY23 LTI Years outcome	Outcome	% of Target incentive awarded	Weighting
Revenue	$355m	$326m	Not met	0%	50%
EPS	$0.113	$0.129	Met	120%	50%

The participants of the FY23 LTI plan were eligible to achieve the award of 1,648,442 SARs in aggregate. As an outcome of the FY23 LTI Years 824,221 SARs will be vested and 824,221 will lapse after the reporting period.

During the exercise period the difference between the market price and the notional exercise price of the Company's shares multiplied by the number of vested SARs validly exercised will determine the value of the Company's shares issued to the plan participant. The notional exercise price of the SARs awarded under the FY23 LTI is $1.25. Vested rights that are not exercised during the exercise period will lapse.

3. Performance and Executive remuneration outcomes in FY25 (continued)

2022 LTI Award

As at 30 June 2025, there are 934,373 SARs that were vested last year from the FY22 LTI Plan on foot. The notional exercise price of the SARs under this plan is $1.35, and following a review it was confirmed that the five year exercise period applies and ends on 6 February 2027.

Additional payments awarded in FY25

No additional payments were awarded in FY25 to current executive KMP.

Anton Clowes stepped down as CFO and as a member of KMP in November 2024. His role and responsibility were transitioned to Adam McArthur effective 18 November 2024 and payments on termination made to Anton are noted on pages 54 and 55.

4. Non-executive Directors' remuneration

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. To preserve independence and impartiality, non-executive Directors do not receive performance-related compensation and are not eligible to participate in the Company's equity incentive plan. Non-executive Directors have not been granted or issued equity as part of their remuneration.

ASX listing rules require the aggregate non-executive Directors' remuneration be determined periodically by a general meeting. The most recent determination was in 2017 when shareholders set the aggregate remuneration at $900,000 per annum for the non-executive Directors. Board and committee fees, as well as statutory superannuation contributions made on behalf of the non-executive Directors, are included in the aggregate fee pool.

The table below shows the structure and level of non-executive Director fees (exclusive of superannuation) for the financial years ended 30 June 2025 and 30 June 2024.

Fee applicable	Financial year	Chair $	Member $
Board	**2025**	**185,000**	**95,000**
	2024	185,000	95,000
Audit and risk committee	**2025**	**20,000**	**10,000**
	2024	20,000	10,000
People and culture committee	**2025**	**20,000**	**10,000**
	2024	20,000	10,000

4. Non-executive Directors' remuneration (continued)

Non-executive Director remuneration in 2025 and 2024

Details of the remuneration for the non-executive Directors for the financial years ended 30 June 2025 and 30 June 2024 are set out below.

Name	Financial year	Fees and allowances $	Post-employment benefits $	Total $
Current non-executive Directors				
Mark Lamont	**2025**	**121,936**	**14,023**	**135,959**
	2024	115,000	12,650	127,650
Katherine Ostin	**2025**	**125,000**	**14,375**	**139,375**
	2024	125,000	13,750	138,750
Allan Brackin	**2025**	**115,000**	**13,225**	**128,225**
	2024	115,000	12,650	127,650
Belinda Rowe(i)	**2025**	**47,737**	**5,490**	**53,227**
	2024	125,000	13,750	138,750
Craig Coleman(ii)	**2025**	**1**	**-**	**1**
	2024	1	-	1
Total remuneration for current non-executive Directors	**2025**	**409,674**	**47,113**	**456,787**
	2024	480,001	52,800	532,801

i. Belinda Rowe ceased to be a Director on 20 November 2024. The remuneration is therefore proportioned.
ii. Craig Coleman elected to receive nominal remuneration during the financial year.

5. Service agreements

Non-executive Directors do not have fixed term contracts with the Company. On appointment to the Board, all non-executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation. Non-executive Directors retire by whichever is the longer period: the third annual general meeting following their appointment or the third anniversary date of appointment. They may then be eligible for re-election.

During the reporting period the Executive Chairman Matthew Sandblom held oversight of the areas of Strategy and Product among various management initiatives.

Under the Executive Chairman's letter of appointment as Director there is no fixed term and he retires, and may be eligible for re-election, on the third annual general meeting following his appointment. During the financial reporting period, Matthew was entitled to receive remuneration of $300 per hour and up to $100,000 per annum (plus GST) under a Services Agreement for his role in Strategy and Product, however he elected to receive $1 as Executive Chairman with no further amounts accrued and payable. The term of the Service Agreement ends on 31 August 2025 and following which his remuneration as Executive Chairman under his letter of appointment is reviewed by the P&CC and approved by the Board.

5. Service agreements (continued)

Other executive KMP have entered into ongoing employment agreements setting out their duties and remuneration. Details of the CEO's, CFO's and CRO's minimum notice period under these agreements are as follows:

Name	Position held	Contract effective date	Terms of agreement	Notice period[i]
Jose Palmero	CEO	28 May 2021	Ongoing	6 months
Adam McArthur	CFO	18 November 2024	Ongoing	3 months
Lynda Pendino	CRO	1 May 2024	Ongoing	3 months

i. The Company may also terminate the employment contracts by making a payment in lieu of notice. In the event of serious misconduct or other specific circumstances warranting summary dismissal, the Company may terminate the employment contracts immediately by written notice and without payment in lieu of notice.

6. Share-based compensation

Issue of shares

No shares were issued to Directors or any other KMP as part of compensation during the year ended 30 June 2025.

Share Appreciation Rights

The Company issued 2,890,090 SARs to KMP during the year ended 30 June 2025. No additional SARs have been granted to any KMP since the end of the reporting period. No SARs have been issued to NEDs to date.

Name	Number	Accounting grant date	Accounting fair value	Exercise price[i]	Vesting date	Expiry date
Jose Palmero	1,141,740	20 November 2024	$0.30	$0.00	August 2027	If vested, 5 years from Grant Date
Adam McArthur	245,843	20 November 2024	$0.30	$0.00	August 2027	If vested, 5 years from Grant Date
Lynda Pendino	409,999	20 November 2024	$0.30	$0.00	August 2027	If vested, 5 years from Grant Date

i. There is a nil exercise price. The value of the shares allocated is based on the number of SARs validly exercised multiplied by the difference between the market price of the shares at the date of exercise and the notional exercise price $0.99 in accordance with the FY25 LTI plan.

Performance Rights and Options

No performance rights or options were issued to KMP during the year ended 30 June 2025 and no performance rights or options have been granted to any KMP since the end of the reporting period.

7. Additional disclosures relating to KMP

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

Ordinary shares	Balance at beginning of year	Received as part of remuneration	Additions	Disposals/ other	Balance at end of year
Non-executive Directors					
Mark Lamont	-	-	-	-	-
Allan Brackin	322,895	-	-	-	322,895
Kathy Ostin	-	-	-	-	-
Belinda Rowe	17,000	-	-	-	17,000(v)
Craig Coleman(i)	53,696,928	-	603,500	-	54,300,428
Executive KMP					
Matthew Sandblom(ii)	136,138,446	-	246,033	-	136,384,479
Jose Palmero(iii)	-	-	-	-	-
Adam McArthur	-	-	-	-	-
Lynda Pendino(iv)	-	-	-	-	-
Former KMP					
Anton Clowes	-	-	-	-	-

i. The balance at the start of the year reflects his indirect interest held through Viburnum Funds Pty Ltd of which he is shareholder and Director, and/or Viburnum Funds Pty Ltd related entities.
ii. Interests in shares are held indirectly. Refer to the ASX Appendix 3Y for the nature of the interests held.
iii. No holding in shares or interests in shares through entities he controls. Jose is a unitholder of the BeL Unit Trust, whose holding in shares is disclosed to the ASX by the Executive Chairman.
iv. No holding in shares or interests in shares through entities she controls. Lynda is a unitholder of the BeL Unit Trust.
v. Balance to date of cessation as Director on 20 November 2024.

Other share-based holdings

The number of SARs held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

Executive KMP	Award	Balance at beginning of year	Rights granted	Expired/ forfeited/ lapsed(iii)	Balance at end of year	Vested(iii)
Jose Palmero	SARs	2,159,122	1,141,740	(376,794)	2,924,068	376,794
Adam McArthur(i)	SARs	-	245,843	-	245,843	-
Lynda Pendino(ii)	SARs	677,566	409,999	(117,524)	970,041	117,524

Former KMP	Award	Balance at beginning of year	Rights granted	Expired/ forfeited/ lapsed	Balance at end of year	Vested
Anton Clowes	SARs	636,216	-	(636,216)	-	90,710

i. Adam McArthur was appointed as CFO on 18 November 2024.
ii. The balance at the beginning of the year for Lynda Pendino also includes SARs issued prior to 1 May 2024 as a non-KMP executive.
iii. As an outcome of the Group's performance during FY24, 50% of the FY22 LTI award to the executive vested in FY25, and the other 50% lapsed in FY25. In the number of SARs disclosed, the 'vested' SARs refer to those eligible to be exercised until their expiry (lapse).

8. Other transactions with KMP and their related parties

Payment for publishing and distribution services

Since FY21 the Group has entered into a Publishing and Distribution Agreement with Kalaci Pty Ltd (trading as Pascal Press) ("**Kalaci**"), a company which both Matthew Sandblom and Jose Palmero have a beneficial economic interest. Under the agreement, Kalaci receives a share of the net receipts received by Blake from orders placed by Blake customers, and Blake receives a share of the net receipts received by Kalaci from its sales of various Blake products to Kalaci customers. The terms of the agreement were negotiated at the time of the Blake acquisition in May 2021. During the year, an expense of $301,324 was incurred and an income of $160,202 was earned in relation to these services. As at 30 June 2025, $73,329 is payable and $11,384 is receivable in relation to these services.

Payment for office management and personnel services

The Group completed the services under the Transition Services Agreement with Kalaci commencing in May 2021. For certain necessary services identified, an office management and personnel services agreement was entered in November 2023. Common services, utilities and personnel shared in the operations at the Company's head office in Leichhardt have been reviewed. During the year, an expense of $249,772 was incurred and an income of $82,116 was earned in relation to these services. As at 30 June 2025, $6,791 is receivable in relation to these services.

Lease of office premise from Matthew Sandblom

The Group leases an office premise at 655 Parramatta Road, Leichhardt NSW 2040, from Matthew Sandblom. Presently the lease continues on a month-to-month basis under the original terms of the lease. The lease was negotiated at the time of the Blake acquisition. An independent valuation was completed in March 2021 to determine the market rent of $410,000 per annum, and further ensured the lease is at comparable market rate. During the year, an expense of $398,000 was paid and $571,933 is payable as at 30 June 2025. The amount payable represents the lease liability outstanding as of 30 June 2025.

Payment for software licence fees

The Group has a commercial agreement with ClickView, a company that operates a video technology platform and of which Matthew Sandblom is a shareholder. Under the agreement, the Group is granted a licence to use ClickView's video storage, management and delivery technology to deliver 3P Learning Limited products. This arrangement was on foot prior to 3P Learning Limited's acquisition of Blake in May 2021, and remains ongoing. During the year, an expense of $121,772 was incurred in relation to these services.

Payment for consultancy services from Matthew Sandblom

The Group entered a consultancy agreement to engage Matthew Sandblom for his services to the Company. The agreement is with a company of which Matthew is Director and shareholder (ACN 608 009 007). Under the consultancy agreement, the Group will pay an hourly retainer of $300 per hour up to a cap of $100,000 per annum for strategic advisory services over the consultancy period. During the year, Matthew elected to receive a nominal fee of $1 under this agreement.

This concludes the remuneration report, which has been audited.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of 3P Learning Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of 3P Learning Limited for the financial year ended 30 June 2025 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit

KPMG

Daniel Robinson

Partner

Sydney

29 August 2025

Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	2025 $ '000	2024 $ '000
Revenue	3	**108,885**	109,949
Other income		**191**	95
Total revenue and other income		**109,076**	110,044
Expenses			
Administrative expenses	4	**(5,654)**	(4,611)
Buy-back of distributor rights	5	**-**	(19,628)
Corporate advisory costs		**(208)**	(238)
Deferred contract costs	11	**(7,611)**	(10,411)
Depreciation and amortisation expense	6	**(10,634)**	(10,945)
Employee benefits expense	19	**(54,004)**	(54,783)
Gain on bargain purchase	35	**234**	-
Impairment losses	14	**-**	(45,148)
Marketing expenses	7	**(16,160)**	(16,087)
Occupancy expenses		**(482)**	(765)
Professional fees		**(2,938)**	(3,114)
Restructure and integration costs		**(1,946)**	(2,168)
Technology costs		**(9,504)**	(8,660)
Total operating profit/(loss)		**169**	(66,514)
Interest income calculated using the effective interest method		**280**	590
Finance costs		**(545)**	(235)
Loss before income tax benefit		**(96)**	(66,159)
Income tax benefit	8	**306**	9,139
Profit/(loss) after income tax for the year		**210**	(57,020)
Other comprehensive income/(loss)			
Items that will be reclassified to profit or loss			
Foreign currency translation		**701**	(335)
Other comprehensive income/(loss) for the year, net of tax		**701**	(335)
Total comprehensive income/(loss) for the year		**911**	(57,355)
Profit/(loss) after income tax benefit attributable to:			
Owners of 3P Learning Limited		**210**	(57,062)
Non-controlling interest		**-**	42
		210	(57,020)
Total comprehensive income/(loss) attributable to:			
Owners of 3P Learning Limited		**911**	(57,397)
Non-controlling interest		**-**	42
		911	(57,355)
		Cents	Cents
Basic earnings per share	9	**0.08**	(20.77)
Diluted earnings per share	9	**0.08**	(20.77)

The accompanying notes form part of these financial statements.

Consolidated statement of financial position
As at 30 June 2025

	Note	2025 $ '000	2024 $ '000
Assets			
Current assets			
Cash and cash equivalents	25	**8,505**	1,970
Trade and other receivables	10	**6,560**	6,194
Inventories		**388**	353
Deferred contract costs	11	**1,453**	2,402
Other assets	12	**6,493**	7,938
Income tax receivables	8	**183**	250
Total current assets		**23,582**	19,107
Non-current assets			
Plant and equipment	13	**913**	1,176
Intangible assets	14	**151,529**	154,934
Right-of-use assets	15	**934**	1,962
Deferred contract costs	11	**108**	696
Other assets	12	**191**	183
Deferred tax assets	8	**21,784**	20,629
Total non-current assets		**175,459**	179,580
Total assets		**199,041**	198,687
Liabilities			
Current liabilities			
Trade and other payables	16	**8,696**	7,026
Contract liabilities	17	**42,258**	42,282
Lease liabilities	15	**615**	888
Provisions	18	**4,343**	3,960
Income tax payables	8	**91**	59
Total current liabilities		**56,003**	54,215
Non-current liabilities			
Borrowings	24	**-**	1,000
Contract liabilities	17	**1,387**	2,038
Lease liabilities	15	**269**	1,198
Provisions	18	**845**	866
Total non-current liabilities		**2,501**	5,102
Total liabilities		**58,504**	59,317
Net assets		**140,537**	139,370
Equity			
Issued capital	22	**212,135**	212,135
Reserves	23	**9,627**	8,670
Accumulated losses		**(81,225)**	(81,435)
Equity attributable to the owners of 3P Learning Limited		**140,537**	139,370
Total equity		**140,537**	139,370

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 30 June 2025

	Issued capital	Reserves	Accumulated losses	Non-controlling interests	Total equity
	$ '000	$ '000	$ '000	$ '000	$ '000
Balance at 1 July 2024	**212,135**	**8,670**	**(81,435)**	**-**	**139,370**
Profit after income tax benefit for the year	**-**	**-**	**210**	**-**	**210**
Other comprehensive income for the year, net of tax	**-**	**701**	**-**	**-**	**701**
Transactions with owners in their capacity as owners					
Share based payment transactions	**-**	**256**	**-**	**-**	**256**
Balance at 30 June 2025	**212,135**	**9,627**	**(81,225)**	**-**	**140,537**
Balance at 1 July 2023	216,589	8,475	(24,373)	(42)	200,649
Loss after income tax benefit for the year	-	-	(57,062)	42	(57,020)
Other comprehensive loss for the year, net of tax	-	(335)	-	-	(335)
Transactions with owners in their capacity as owners					
Share based payment transactions	-	530	-	-	530
Shares bought back during the year	(4,454)	-	-	-	(4,454)
Balance at 30 June 2024	212,135	8,670	(81,435)	-	139,370

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

For the year ended 30 June 2025

	Note	2025 $ '000	2024 $ '000
Cash flows from operating activities:			
Receipts from customers		**108,866**	104,915
Payments to suppliers and employees		**(93,688)**	(93,523)
Interest received		**280**	590
Interest and other finance costs paid		**(545)**	(235)
Income taxes paid		**(668)**	(717)
Payments for buy-back of distributor rights		**-**	(20,471)
Payments for corporate advisory, and restructure and integration costs		**(1,670)**	(2,750)
Net cash received/(paid) from operating activities	26	**12,575**	(12,191)
Cash flows from investing activities:			
Payment for purchase of business, net of cash acquired(i)	35	**(892)**	-
Purchase of plant and equipment	13	**(401)**	(474)
Payments for intangibles	14	**(4,401)**	(3,752)
Withdrawal in term deposits		**-**	7,000
Proceeds/(payment) of holding deposit	12	**125**	(64)
Proceeds from restricted cash(ii)	12	**1,014**	1,866
Net cash (used in)/generated from investing activities		**(4,555)**	4,576
Cash flows from financing activities:			
Repayment of lease liabilities	26	**(791)**	(791)
Proceeds from borrowings		**10,000**	3,000
Repayment of borrowings		**(11,000)**	(2,000)
Share buy-back payments		**-**	(4,454)
Net cash used in financing activities		**(1,791)**	(4,245)
Effects of exchange rate changes on cash and cash equivalents		**306**	(180)
Net increase/(decrease) in cash and cash equivalents held		**6,535**	(12,040)
Cash and cash equivalents at beginning of year		**1,970**	14,010
Cash and cash equivalents at end of financial year	25	**8,505**	1,970

i. Net cash paid for business combination of $0.9 million comprises of $1.2 million payment to the shareholder of LiteracyPlanet and acquired cash balances of $0.3 million; refer to note 35.

ii. Restricted cash is classified as other assets; refer to note 12.

Notes to the consolidated financial statements
For the year ended 30 June 2025

1 General information

The consolidated financial statements cover 3P Learning Limited as a Group consisting of 3P Learning Limited (the "**Company**" or "**parent entity**") and the entities it controlled at the end of, or during, the financial year (collectively referred to as the "**Group**").

3P Learning Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

655 Parramatta Road
Leichhardt NSW 2040

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the consolidated financial statements.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The consolidated financial statements were authorised for issue, in accordance with a resolution of Directors on 29 August 2025. The Directors have the power to amend and reissue the consolidated financial statements.

Comparatives are consistent with prior years, unless otherwise stated.

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

These general purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("**AASB**") and the *Corporations Act 2001* (Cth), as appropriate for for-profit oriented entities. These consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IASB**").

Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 1.3.

Net current asset deficiency

As at 30 June 2025, the Group was in a net current liability position of $32.4 million (2024: $35.1 million) of which $42.3 million (2024: $42.3 million) are contract liabilities that are expected to be recognised as revenue in the next financial year with no further cash outflows to the Group. As at 30 June 2025, management has assessed the Group's ability to meet its obligations, continue its operations and realise its assets in the ordinary course of business and determined that the financial statements continue to be prepared on a going concern basis.

1.2 Material accounting policies

Parent entity information

In accordance with the *Corporations Act 2001* (Cth), these consolidated financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 33.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of 3P Learning Limited as at 30 June 2025 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position, and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability that is not borrowing with covenants is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

The Group adopted Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1, as issued in 2020 and 2022, for borrowing with covenants. Refer to new or amended accounting standards and interpretations adopted below.

Deferred tax assets and liabilities are always classified as non-current.

1.2 Material accounting policies (continued)

Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to "rounding-off". Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New accounting standards and interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory have not been early adopted by the Group for the annual reporting period ended 30 June 2025. The adoption of these Accounting Standards and Interpretations is not expected to have any significant impact on the Group's consolidated financial statements.

AASB 2024-2 Classification and Measurement of Financial Instruments [Amendments to AASB 7 & AASB 9] was issued July 2024 to clarify the derecognition of financial liabilities when settled through electronic payment systems, introducing an accounting policy option to derecognise liabilities before the settlement date under specific conditions. The amendment also clarifies how to assess the contractual cashflow characteristics of financial assets that incorporate Environmental, Social and Governance features. The amendment is expected to apply to annual periods beginning on or after 1 January 2026. The Group is in the process of assessing the impact of the new standard.

AASB 18 Presentation and Disclosure in Financial Statements was issued in June 2024 and replaces AASB 101 Presentation of Financial Statements. The new standard introduces new requirements for the consolidated statement of profit or loss and other comprehensive income, including:

- new categories for the classification of income and expenses into operating, investing and financing categories
- presentation of subtotals for "operating profit" and "profit before financing and income taxes".

Additional disclosure requirements are introduced for management-defined performance measures and new principles for aggregation and disaggregation of information in the notes and the primary financial statements and the presentation of interest and dividends in the consolidated statement of cash flows. The new standard is effective for annual periods beginning on or after 1 January 2027 and will first apply to the Group for the financial year ending 30 June 2028.

This new standard is not expected to have an impact on the recognition and measurement of assets, liabilities, income and expenses. However, there will likely be changes in how the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position line items are presented as well as some additional disclosures in the notes to the financial statements. The Group is in the process of assessing the impact of the new standard.

1.2 Material accounting policies (continued)

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by AASB that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

The Group has adopted *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1,* as issued in 2020 and 2022. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures whether a liability should be classified as current or non-current and require new disclosure for non-current liabilities that are subject to covenants within 12 months after the reporting period. This resulted in a change in accounting policy for classification of borrowings. Previously, the borrowings from the existing bank loan facility are classified as current. Under the revised policy, the Group classifies the current period and comparative borrowings from the bank loan facility as non-current due to the fact that at 30 June 2025 and 30 June 2024, the Group has the right to roll over the borrowings under the existing bank loan facility for at least 12 months after the reporting date. Refer to note 24.

The Group has adopted the IFRS Interpretations Committee's agenda decision published in July 2024 to clarify that an entity is required to disclose certain specified items of profit or loss (as outlined in AASB 8, paragraph 23) if they are included in the measure of segment profit or loss reviewed by the chief operating decision maker (CODM) even if those items are not specially reviewed by the CODM. Material items of income and expenditure are subject to management judgement. In the segment report disclosed in note 2, material items of income and expenditure are identified as the underlying EBITDA adjustments and disclosed separately. No additional disclosures are deemed to be necessary.

1.3 Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management based its judgements, estimates and assumptions on historical experience and on other factors, including expectations of future events which management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below:

Judgements:
- Lease extension options: refer to note 15

Estimates and assumptions:
- Recovery of deferred tax assets: refer to note 8
- Goodwill: refer to note 14
- Product development costs: refer to note 14
- Business combinations: refer to note 35.

Notes to the consolidated financial statements
For the year ended 30 June 2025

2 Operating segments

Identification of reportable segments

The Group is organised into two operating segments based on end users or customers: Business-to-School ("**B2B**") and Business-to-Consumer ("**B2C**"). Items not attributable to individual segments are shown as Corporate expenses. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors ("**Board**") and Chief Executive Officer (who are identified as the Chief Operating Decision Makers ("**CODM**")) in assessing performance and in determining the allocation of resources. The CODM review Underlying EBITDA which represents earnings before interest, tax, depreciation and amortisation, excluding unrealised foreign exchange losses and gains, corporate advisory costs, restructure and integration costs, buy-back of distributor rights, gain on bargain purchase, impairment losses and deferred contract costs on buy-back of distributor rights arising prior to the buy-back in the previous financial year.

Other than the underlying adjustments above, the accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the consolidated financial statements. The information reported to the CODM is on a monthly basis. The CODM do not regularly review segment assets and segment liabilities. Refer to the consolidated statement of financial position for assets and liabilities.

Products and services

Refer to note 3 for information on the Group's products and services.

Major customers

There are no major customers that contributed more than 10% of revenue to the Group recognised for the year ended 30 June 2025 or 30 June 2024.

Operating segment information

	B2B	B2C	Total Segment	Corporate	Total Group
30 June 2025	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Revenue					
Sales to external customers	65,492	43,393	108,885	-	108,885
Other income	136	55	191	-	191
Total revenue and other income	**65,628**	**43,448**	**109,076**	**-**	**109,076**
Underlying EBITDA(i)	**10,231**	**7,775**	**18,006**	**(2,457)**	**15,549**
Buy-back of distributor rights					-
Corporate advisory costs					(208)
Deferred contract cost on buy-back of distributor rights					(1,549)
Depreciation and amortisation expenses					(10,634)
Gain on bargain purchase					234
Restructure and integration costs					(1,946)
Unrealised foreign exchange loss					(1,277)
Total operating profit					169
Interest income					280
Finance costs					(545)
Loss before income tax benefit					(96)
Income tax benefit					306
Profit after income tax benefit					**210**

Notes to the consolidated financial statements
For the year ended 30 June 2025

2 Operating segments (continued)

Operating segment information (continued)

30 June 2024	B2B $ '000	B2C $ '000	Total Segment $ '000	Corporate $ '000	Total Group $ '000
Revenue					
Sales to external customers	66,844	43,105	109,949	-	109,949
Other income	80	15	95	-	95
Total revenue and other income	**66,924**	**43,120**	**110,044**	**-**	**110,044**
Underlying EBITDA(i)	**5,040**	**9,190**	**14,230**	**(2,226)**	**12,004**
Buy-back of distributor rights					(19,628)
Corporate advisory costs					(238)
Depreciation and amortisation expenses					(10,945)
Impairment losses					(45,148)
Restructure and integration costs					(2,168)
Unrealised foreign exchange loss					(391)
Total operating loss					(66,514)
Interest income					590
Finance costs					(235)
Loss before income tax benefit					(66,159)
Income tax benefit					9,139
Loss after income tax benefit					(57,020)

i. Underlying EBITDA represents earnings before interest, tax, depreciation and amortisation, excluding unrealised foreign exchange losses and gains, corporate advisory costs, restructure and integration costs, buy-back of distributor rights, gain on bargain purchase, impairment losses and deferred contract costs on buy-back of distributor rights arising prior to the buy-back in the previous financial year.

Material accounting policy - operating segment

Operating segments are presented on the same basis as the internal reports provided to the CODM. The CODM are responsible for the allocation of resources to operating segments and assessing their performance.

3 Revenue

Revenue from contracts with customers is disaggregated into the following categories:

	2025 $ '000	2024 $ '000
Licence fees	**104,105**	105,604
Copyright licence fees	**3,385**	3,062
Other revenue	**1,395**	1,283
Total revenue	**108,885**	109,949

Revenue by geographic regions		
Asia-Pacific (APAC)	**58,230**	58,500
North and South America (AMER)	**29,853**	29,955
Europe, Middle East and Africa (EMEA)	**20,802**	21,494
Total revenue	**108,885**	109,949

The relationship between the disaggregated revenue information set out above and the segment information is explained below:

The segment revenue disclosed in note 2 and the disaggregated revenue information in note 3 is based on the end users or customers. The Group's main revenue generating activity is the worldwide sale of online educational programs via licence fees and the sale of these products are recognised over time within licence fees.

The Group generates licence fees in the B2B and B2C operating segments. Copyright licence fees and ancillary revenue streams are generated only in the B2B operating segment. Other revenue includes the sale of workbooks, ebooks and professional learning in the B2B and B2C operating segments.

Licence fees are recognised over time. All other revenue streams are recognised at a point in time.

The revenue recognised in the year that was included in the contract liabilities balance at the beginning of the period was $42.3 million (2024: $45.6 million). Contract liabilities are generally incurred at the beginning of the contract period. Refer to note 17 for details on contract liabilities.

3. Revenue (continued)

Material accounting policy - revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the "expected value" or "most likely amount" method, depending on which method the Group expects to better predict the amount of consideration it will receive.

The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as contract liabilities in the form of a separate refund liability.

Revenue where performance obligations are not met is recognised as contract liabilities. The current contract liabilities are revenue expected to be recognised within one year. A majority of the non-current contract liabilities are expected to be recognised within three years. Refer to note 17.

Licence fees

The Group recognises revenue pursuant to software licence agreements upon the provision of access to its customers of the Group’s intellectual property as it exists at any given time during the period of the licence. Revenue is therefore recognised over the duration of the agreement or for as long as the customer has been provided access, when it is probable that the Group will collect the consideration in exchange for access to the software licence specified in the agreements.

Copyright licence fee

Copyright licence fee revenue is earned in relation to the Group's material and resources when they are reproduced by third parties. Revenue is recognised when the Group's entitlement is assessed by the copyright agency.

Notes to the consolidated financial statements
For the year ended 30 June 2025

4 Administrative expenses

	2025	2024
	$ '000	$ '000
Bad debts provision	**125**	(82)
Copyright agency fees	**560**	546
Insurance expenses	**465**	550
Merchant fees	**895**	842
Net foreign exchange loss	**1,454**	387
Other operating expenses	**1,461**	1,655
Travel expenses	**694**	713
Total administrative expenses	**5,654**	4,611

5 Buy-back of distributor rights

	2025	2024
	$ '000	$ '000
Buy-back of distributor rights	**-**	19,628

On 21 December 2023, Blake eLearning Pty Ltd, a wholly owned subsidiary, entered into a binding agreement with Edmentum Inc. to re-acquire the US schools Distribution Rights for Reading Eggs effective 2 February 2024.

The Rights cost totalled $20.5 million (USD 13.3 million), including a foreign exchange rate loss of $0.8 million. These Rights, prior to being assigned in perpetuity to Edmentum Inc. in 2010, were an “internally generated intangible asset” which cannot be capitalised under Australian Accounting Standards irrespective of how the costs are incurred, e.g. paid to a third party (Edmentum Inc.). As a result, the total Rights cost has been expensed in the prior year.

6 Depreciation and amortisation expenses

	2025	2024
	$ '000	$ '000
Amortisation of other intangible assets	**3,220**	2,078
Amortisation of other intangible assets from business combinations	**5,982**	7,405
Depreciation of right-of-use assets	**820**	874
Depreciation of plant and equipment	**612**	588
Total depreciation and amortisation expenses	**10,634**	10,945

7 Marketing expenses

	2025 $ '000	2024 $ '000
Advertising expenses	**14,162**	14,144
Other marketing expenses	**1,998**	1,943
Total marketing expenses	**16,160**	16,087

8 Taxation

8.1 The major components of tax income comprise:

	2025 $ '000	2024 $ '000
Current tax		
Income tax - current year	**860**	1,807
Income tax - recognised in current tax for prior years	**(21)**	(478)
Deferred tax		
Origination and reversal of temporary differences	**(1,283)**	(10,468)
Deferred tax - recognised in deferred tax for prior year	**138**	-
Total income tax benefit	**(306)**	(9,139)

Reconciliation of income tax to accounting profit:

	2025 $ '000	2024 $ '000
Loss before income tax	**(96)**	(66,159)
Statutory tax rate	**30.0%**	30.0%
Tax benefit at the statutory tax rate	**(29)**	(19,848)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses - impairment losses	**-**	13,544
Other non-deductible expenses	**579**	311
Impact of foreign tax rates	**(643)**	267
Non-assessable income	**(210)**	-
Research and development tax offset	**-**	(243)
Foreign exchange fluctuations	**92**	(106)
Assessed losses recognised	**(212)**	(2,586)
	(423)	(8,661)
Adjustments in respect of current income tax for the previous year	**117**	(478)
Income tax benefit	**(306)**	(9,139)

Tax losses not recognised relating to various tax jurisdictions

	2025 $ '000	2024 $ '000
Unused tax losses for which no deferred tax asset has been recognised	**28,262**	31,822
Potential tax benefit at statutory tax rates	**8,556**	9,013

Unrecognised tax benefits consists of $8.4 million unused capital losses on disposal of investments (2024: $8.4 million). No expiry dates are applicable to the unused tax losses.

8 Taxation (continued)

Material accounting policy - income tax expense/(benefit)

The income tax expense or benefit for the year is the tax payable on that year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior years, where applicable.

8.2 Current tax assets/(liabilities)

	2025 $ '000	2024 $ '000
Income tax receivables	**183**	250
Income tax payables	**(91)**	(59)

Material accounting policy - current tax assets/(liabilities)

Current tax is the amount of income taxes payable/(recoverable) in respect of the taxable profit/(loss) for the year and is measured at the amount expected to be paid to/(recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Critical accounting judgements, estimates and assumptions - current tax assets/(liabilities)

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the year in which such determination is made.

8.3 Deferred tax assets/(liabilities)

30 June 2025	Opening balance $ '000	Charged to income $ '000	Additions through business combination $ '000	Closing balance $ '000
Deferred tax assets/(liabilities)				
Accrued expenses	**6,795**	**(1,438)**	**43**	**5,400**
Contract liabilities	**9,990**	**(1,086)**	**321**	**9,225**
Intangibles	**(3,339)**	**2,543**	**(354)**	**(1,150)**
Lease liabilities	**416**	**(213)**	**-**	**203**
Plant and equipment	**(89)**	**96**	**-**	**7**
Research and development credits	**4,229**	**107**	**-**	**4,336**
Right-of-use assets	**(400)**	**198**	**-**	**(202)**
Deferred expenses	**(867)**	**453**	**-**	**(414)**
Unrealised foreign exchange fluctuation	**339**	**405**	**-**	**744**
Assessed losses recognised	**3,555**	**80**	**-**	**3,635**
Balance at 30 June 2024	**20,629**	**1,145**	**10**	**21,784**

8 Taxation (continued)

8.3 Deferred tax assets/(liabilities) (continued)

30 June 2024	Opening balance $ '000	Charged to income $ '000	Closing balance $ '000
Deferred tax assets/(liabilities)			
Accrued expenses	2,521	4,274	6,795
Contract liabilities	10,337	(347)	9,990
Intangibles	(7,362)	4,023	(3,339)
Lease liabilities	222	194	416
Plant and equipment	(128)	39	(89)
Research and development credits	3,259	970	4,229
Right-of-use assets	(219)	(181)	(400)
Deferred expenses	(987)	120	(867)
Unrealised foreign exchange fluctuation	409	(70)	339
Prior year assessed losses recognised	2,109	1,446	3,555
Balance at 30 June 2023	**10,161**	**10,468**	**20,629**

Material accounting policy - deferred tax

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits;
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future; or
- The Group has also adopted Deferred Tax related to Asset and Liabilities arising from a Single Transaction (Amendments to AASB 112) effective for annual reporting periods starting after 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences, e.g. leased and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur after the beginning of the earliest period presented. The change in accounting policy is reflected in the Group's consolidated financial statements as at and for the year ended 30 June 2024. It has no material impact on the consolidated financial statements.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Previously unrecognised deferred tax assets are recognised to the extent that it has become probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

3P Learning Limited (the "**head entity**") and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

8 Taxation (continued)

Material accounting policy - deferred tax (continued)

Research and development rebates

Research and development rebates are credited against tax expense and are not treated as revenue.

Critical accounting judgements, estimates and assumptions - recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and tax losses only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

9 Earnings per share

Reconciliation of earnings to profit or loss

	2025	2024
	$ '000	$ '000
Profit/(loss) after income tax	**210**	(57,020)
Non-controlling interest	**-**	(42)
Earnings used to calculate basic earnings per share (EPS)	**210**	(57,062)

Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS.

	2025	2024
	No.	No.
Weighted average number of ordinary shares used in calculating basic EPS	**272,906,522**	274,797,646
Weighted average number of ordinary shares used in calculating dilutive EPS	**272,906,522**	274,797,646

Basic and diluted EPS

	2025	2024
	Cents	Cents
Basic earnings per share	**0.08**	(20.77)
Diluted earnings per share	**0.08**	(20.77)

The Group commenced an on-market buy-back of its ordinary shares up to a maximum value of $10.0 million (excluding transaction costs) on 23 August 2023. During the prior year, the Group brought pack 3,577,648 ordinary shares at a cost of $4.5 million (excluding transaction costs). Refer to note 22 for further details of the buy-back.

Material accounting policy - earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

9 Earnings per share (continued)

Material accounting policy - earnings per share (continued)

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

10 Trade and other receivables

	2025 $ '000	2024 $ '000
Trade receivables	**6,434**	6,220
Less: Allowance for expected credit losses	**(45)**	(36)
Total trade receivables	**6,389**	6,184
Other receivable	**171**	10
Total current trade and other receivables	**6,560**	6,194

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The Group has recognised an expense of $0.1 million (2024: gain of $82,000) in profit or loss in respect of changes in the expected credit losses provision of receivables for the year ended 30 June 2025.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables in the consolidated financial statements.

Allowance for expected credit losses

30 June 2025	Expected credit loss rate	Carrying amount $ '000	Allowance for expected credit losses $ '000
Not overdue	**0.4%**	**4,795**	**17**
Less than 3 months overdue	**0.1%**	**1,199**	**1**
3 to 6 months overdue	**0.9%**	**75**	**1**
More than 6 months overdue	**7.1%**	**365**	**26**
Total		**6,434**	**45**

30 June 2024	Expected credit loss rate	Carrying amount $ '000	Allowance for expected credit losses $ '000
Not overdue	0.4%	4,536	19
Less than 3 months overdue	0.1%	1,442	1
3 to 6 months overdue	0.0%	29	-
More than 6 months overdue	7.5%	213	16
Total		6,220	36

10 Trade and other receivables (continued)

Allowance for expected credit losses (continued)

Each subsidiary has a specific expected credit loss rate, based on the future expectations of the region. The movement in percentages of expected loss rates changed due to a change in the composition of aged receivables in each subsidiary. The rates shown in the table above represent the consolidated effective credit loss rate for the year and the change from prior year reflects a change in the distribution of aged receivables across different subsidiaries.

Movements in the allowance for expected credit losses are as follows:

	2025 $ '000	2024 $ '000
Opening balance	**36**	118
Additional provision raised	**125**	-
Amounts written off	**(116)**	(82)
Closing balance	**45**	36

Material accounting policy - trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Trade and other receivables is derecognised when, and only when, the contractual rights to the cash flows from the trade and other receivables expire or are transferred, or control of the asset is not retained, or substantially all of the risks and rewards of ownership of the trade and other receivables are transferred to another party. On derecognition, the difference between the carrying amount and the sum of consideration received is recognised in profit or loss.

Critical accounting judgements, estimates and assumptions - allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, and forward-looking information that is available. The allowance for expected credit losses is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

11 Deferred contract costs

	2025 $ '000	2024 $ '000
Current assets		
Deferred contract costs	**1,453**	2,402
Non-current assets		
Deferred contract costs	**108**	696
Total deferred contract costs	**1,561**	3,098

11 Deferred contract costs (continued)

Reconciliation of deferred contract costs

	2025 $ '000	2024 $ '000
Opening balance	**3,098**	3,601
Additions	**6,074**	9,908
Deferred contract costs	**(7,611)**	(10,411)
Closing balance	**1,561**	3,098

Material accounting policy - deferred contract costs

Deferred contract costs represent capitalised distributor commissions and service provider costs incurred to obtain customer contracts. When those costs support the delivery of goods and services in the future and are expected to be recovered, they are deferred in the statement of financial position and expensed on a basis consistent with the transfer of goods and services to which these costs relate. The Group expenses deferred contract costs over the term that reflects the expected period of the benefit.

Material accounting policy - costs to obtain a contract

The Group has elected to apply the optional practical expedient for sales commissions paid to employees for contracts obtained from external customers in relation to B2B sales. This allows the Group to immediately expense sales commissions (included under employee expenses) because the amortisation period of the asset that the Group otherwise would have used is one year or less.

12 Other assets

	2025 $ '000	2024 $ '000
Current assets		
Prepayments	**3,133**	3,439
Holding deposit	**234**	359
Restricted cash	**3,126**	4,140
Total current assets	**6,493**	7,938
Non-current assets		
Prepayments	**191**	183

Restricted cash refers to security deposits held by Westpac Banking Corporation and National Australia Bank in relation to merchant banking facilities.

Notes to the consolidated financial statements
For the year ended 30 June 2025

13 Plant and equipment

	Furniture and fittings $ '000	Office equipment $ '000	Computer equipment $ '000	Total $ '000
Year ended 30 June 2025				
Opening balance	**413**	**107**	**656**	**1,176**
Additions	**27**	**10**	**364**	**401**
Additions through business combinations	**-**	**10**	**-**	**10**
Disposals	**(64)**	**(16)**	**-**	**(80)**
Depreciation expenses	**(91)**	**(32)**	**(489)**	**(612)**
Foreign exchange movements	**4**	**4**	**10**	**18**
Closing balance	**289**	**83**	**541**	**913**

	Furniture and fittings $ '000	Office equipment $ '000	Computer equipment $ '000	Total $ '000
Year ended 30 June 2025				
Cost	**581**	**194**	**2,007**	**2,782**
Accumulated depreciation	**(292)**	**(111)**	**(1,466)**	**(1,869)**
Balance at the end of the year	**289**	**83**	**541**	**913**

	Furniture and fittings $ '000	Office equipment $ '000	Computer equipment $ '000	Total $ '000
Year ended 30 June 2024				
Opening balance	503	124	677	1,304
Additions	12	15	447	474
Disposals	-	-	(5)	(5)
Depreciation expenses	(98)	(31)	(459)	(588)
Foreign exchange movements	(4)	(1)	(4)	(9)
Closing balance	413	107	656	1,176
Year ended 30 June 2024				
Cost	697	205	1,717	2,619
Accumulated depreciation	(284)	(98)	(1,061)	(1,443)
Balance at the end of the year	413	107	656	1,176

13 Plant and equipment (continued)

Material accounting policy - plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Furniture and fittings	Three to seven years
Computer equipment	Two to three years
Office equipment	Three to five years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Critical accounting judgements, estimates and assumptions - estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated, or technically obsolete or non-strategic assets have been abandoned or sold.

14 Intangible assets

	Patents and trademarks	Intellectual property	Customer contracts and distributor relationships	Goodwill	Product development	Total
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Year ended 30 June 2025						
Opening balance	276	315	2,373	132,532	19,438	154,934
Additions	43	205	-	-	4,153	4,401
Additions through business combinations	348	-	833	-	215	1,396
Amortisation expenses	(51)	(183)	(334)	-	(8,634)	(9,202)
Closing balance	616	337	2,872	132,532	15,172	151,529
Year ended 30 June 2025						
Cost	777	997	9,023	177,052	47,494	235,343
Accumulated amortisation and impairment	(161)	(660)	(6,151)	(44,520)	(32,322)	(83,814)
Closing balance	616	337	2,872	132,532	15,172	151,529

14 Intangible assets (continued)

	Patents and trademarks	Intellectual property	Customer contracts and distributor relationships	Goodwill	Product development	Total
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Year ended 30 June 2024						
Opening balance	265	430	4,182	177,052	23,884	205,813
Additions	47	67	-	-	3,638	3,752
Amortisation expenses	(36)	(182)	(1,809)	-	(7,456)	(9,483)
Impairment loss	-	-	-	(44,520)	(628)	(45,148)
Closing balance	276	315	2,373	132,532	19,438	154,934
Year ended 30 June 2024						
Cost	386	792	8,190	177,052	43,126	229,546
Accumulated amortisation and impairment	(110)	(477)	(5,817)	(44,520)	(23,688)	(74,612)
Balance at the end of the year	276	315	2,373	132,532	19,438	154,934

Impairment testing of intangible assets - current financial year

The goodwill acquired through business combinations has been allocated to the following cash-generating units ("**CGU**"):

	2025	2024
	$ '000	$ '000
B2B	**89,784**	89,784
B2C	**42,748**	42,748
Total	**132,532**	132,532

During the year, the acquisition of Intrepica Pty Ltd ("**LiteracyPlanet**") on 3 January 2025 resulted in a bargain purchase and no additional Goodwill was recognised. Goodwill acquired through business combinations is allocated to the lowest level within the entity at which the goodwill is monitored, being the two cash-generating units, B2B and B2C.

Goodwill is tested for impairment on an annual basis. The recoverable amount of B2B and B2C CGUs was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on the business plan approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates. The assumptions and growth rates applied are detailed in the sections below.

For the financial year ending 30 June 2025, the recoverable amount of net assets for all CGUs is greater than the carrying value of the assets, and therefore the goodwill is not considered to be impaired.

14 Intangible assets (continued)

Value in use calculation of the CGUs

In assessing the value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Key estimates and judgments:

	2025 $ '000	2024 $ '000
B2B segment		
Compound annual growth rate in billing (years 1-5)	**4.8%**	6.6%
Compound annual growth rate in expenses (years 1-5)	**2.2%**	4.3%
Discount rate (post tax)	**12.5%**	11.5%
Discount rate (pre tax)	**16.7%**	16.2%
Terminal growth rate	**2.5%**	2.5%

	2025 $ '000	2024 $ '000
B2C segment		
Compound annual growth rate in billing (years 1-5)	**4.8%**	5.3%
Compound annual growth rate in expenses (years 1-5)	**4.0%**	4.8%
Discount rate (post tax)	**12.5%**	11.5%
Discount rate (pre tax)	**17.1%**	16.1%
Terminal growth rate	**2.5%**	2.5%

Sensitivity of assumptions

Management have made judgements and estimates in respect of impairment testing of goodwill. The calculation of value in use for the two CGUs is most sensitive to the following assumptions:

- Billings growth
- Expense growth
- Discount rates
- Terminal growth rates.

Billings growth

Billings projections have been constructed with reference to the FY25 results and a five-year forward plan. The earlier years are estimated through specific billing assumptions based on the current customer base. The years thereafter are based on expected future growth rates.

Expense growth

Management forecasts operating costs based on the current structure of the business, adjusted for inflationary increases but not reflecting unplanned future restructuring and cost-saving measures.

14 Intangible assets (continued)

Sensitivity of assumptions (continued)

Discount rates

The discount rate is calculated based on the weighted average cost of capital ("**WACC**"). The WACC considers both debt and equity. The cost of equity is derived from the expected return on investments by the CGU's investors. The cost of debt is derived from the interest rate of the Group's loan facility.

Terminal growth rate

The terminal growth rate was determined based on management's estimate of the long-term compounded annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

B2B sensitivity - reasonably possible changes of assumptions

For the B2B CGU, any reasonable possible change in the key assumptions on which the recoverable amount is based would not cause the CGU’s carrying amount to exceed its recoverable amount.

B2C sensitivity - reasonably possible changes of assumptions

For the B2C CGU, any reasonable possible change in the key assumptions on which the recoverable amount is based would not cause the CGU’s carrying amount to exceed its recoverable amount.

Impairment of other non-financial assets

During the prior year the recoverable amount of the Master Maths Island app was calculated to be lower than the carrying value due to poor economic performance of the app. The carrying amount of $0.6 million was fully impaired at 30 June 2024.

Material accounting policy - intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and an expense is recognised in the statement of comprehensive income in the year in which the expenditure is incurred.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

14 Intangible assets (continued)

Material accounting policy - intangible assets (continued)

Product development

Research costs are expensed in the year in which they are incurred. Costs incurred for the development of software code that enhances, modifies, or creates additional capability to existing controlled systems, and meets the definition and recognition criteria, are recognised as intangible software assets. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the internal development and their costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of three years. Amortisation of the asset begins when development is complete and the asset is available for use. Capitalised development costs, including acquired product development, are amortised on a straight-line basis over the period of the expected benefit, being their finite useful life of three to five years.

Intellectual property

Significant costs associated with acquired intellectual property rights are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of up to five years.

Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of three to 10 years.

Customer contracts and distributor relationships

Customer contracts and distributor relationships acquired are amortised over the period in which the related benefits are expected to be realised, being their finite useful life of between one and two years for customer contracts and five years for distributor relationships. Customer contracts acquired in the Brightpath acquisition are amortised over 12 years and four years for the ones acquired in the LiteracyPlanet acquisition.

Material accounting policy - impairment of non-financial assets

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Critical accounting judgements, estimates and assumptions - goodwill

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

14 Intangible assets (continued)

Critical accounting judgements, estimates and assumptions - impairment of non-financial assets other than goodwill

The Group assesses the impairment of non-financial assets other than goodwill at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves assessing the value of the asset at fair value less costs of disposal and using value-in-use models which incorporate a number of key estimates and assumptions.

Critical accounting judgements, estimates and assumptions - product development costs

The Group capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed. In determining the amounts to be capitalised, as with the nature of Software-as-a-Service delivery model, key judgements are required in determining whether incremental product enhancements will provide additional future economic benefit.

15 Leases

The Group as a lessee

The Group leases office premises under agreements of between one to six years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Group also leases office equipment under agreements of between one to three years.

15.1 Reconciliation of right-of-use assets

	Office premises $ '000	Office equipment $ '000	Total $ '000
Year ended 30 June 2025			
Opening balance	**1,862**	**100**	**1,962**
Depreciation expenses	**(778)**	**(42)**	**(820)**
Additions	**139**	**-**	**139**
Lease modification	**(383)**	**-**	**(383)**
Exchange differences	**36**	**-**	**36**
Closing balance	**876**	**58**	**934**

	Office premises $ '000	Office equipment $ '000	Total $ '000
Year ended 30 June 2024			
Opening balance	1,415	57	1,472
Depreciation expenses	(831)	(43)	(874)
Additions	1,312	86	1,398
Reductions in right-of-use assets due to changes in lease liability	(15)	-	(15)
Exchange differences	(19)	-	(19)
Closing balance	1,862	100	1,962

15 Leases (continued)

15.1 Reconciliation of right-of-use assets (continued)

For other AASB 16 lease-related disclosures, refer to the following:
- Consolidated statement of cash flows for repayment of lease liabilities
- Note 6 for details of amortisation expenses
- Note 15.2 for details of lease liabilities at the beginning and end of the reporting period
- Note 26 for the total cashflows related to leases
- Note 27 for the maturity analysis of lease liabilities.

Material accounting policy - right-of-use assets

The determination of whether a contract or part of a contract is or contains a lease is based on the substance of the arrangement at inception date. It will be considered as a lease if it conveys the right to use an asset (the underlying asset) for a period in exchange for consideration.

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred. Refer to note 15.2.

15.2 Lease liabilities

	2025	2024
Current liabilities	**$ '000**	**$ '000**
Lease liabilities	**615**	888
Non-current liabilities		
Lease liabilities	**269**	1,198
Total lease liabilities	**884**	2,086

Refer to note 27 for maturity analysis of lease liabilities.

The following are the amounts recognised in profit or loss:

	2025	2024
	$ '000	**$ '000**
Depreciation of right-of-use assets	**820**	874
Interest expense on lease liabilities	**98**	125
Expenses relating to short-term leases	**20**	44
Total amounts recognised in profit or loss	**938**	1,043

15 Leases (continued)

Material accounting policy - lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable; variable lease payments that depend on an index or a rate; amounts expected to be paid under residual value guarantees; exercise price of a purchase option when the exercise of the option is reasonably certain to occur; and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term or certainty of a purchase option; and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Critical accounting judgments, estimates and assumptions - lease liabilities

The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options if these options are available. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. Management included renewal options in the lease terms for office leases where it is reasonably certain the options will be exercised due to its plan of operations.

16 Trade and other payables

	2025 $ '000	2024 $ '000
Trade payables	**2,471**	2,588
GST payable	**167**	156
Accrued expenses	**5,593**	3,862
Other payables	**465**	420
Total trade and other payables	**8,696**	7,026

Material accounting policy - trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Trade and other payables is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. Trade and other payables is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of trade and other payables, the difference between the carrying amount extinguished or transferred to another party and the consideration paid, including any non-cash asset transferred or liabilities assumed, is recognised in profit or loss.

17 Contract liabilities

	2025	2024
Current liabilities	**$ '000**	**$ '000**
Contract liabilities	**42,258**	42,282
Non-current liabilities		
Contract liabilities	**1,387**	2,038
Total contract liabilities	**43,645**	44,320

Contract liabilities represent income billed in advance from the contracts with customers pertaining to licence revenue which is recognised over the period of the licence. During the year, contract liabilities of $1.1 million were acquired from the business combination (refer note 35).

Material accounting policy - contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

18 Provisions

	2025	2024
	$ '000	**$ '000**
Current		
Employee benefits provisions	**4,343**	3,952
Other provisions	**-**	8
Total current provisions	**4,343**	3,960
Non-current		
Employee benefits provisions	**666**	691
Lease make good provisions	**179**	175
Total non-current provisions	**845**	866
Total provisions	**5,188**	4,826

Employee benefits provisions

Employee benefits comprise provisions for annual leave and long service leave. Where an obligation is presented as current, the Group does not have an unconditional right to defer settlement for more than 12 months.

Lease make good provisions

The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

Other provisions

The provision represents storage costs. The prior year provision represents storage costs and costs related to the Brightpath acquisition.

18 Provisions (continued)

Movements in provisions

Movements in each class of provision during the current financial year are set out below:

	Lease make good provisions $ '000	Other provisions $ '000	Total $ '000
Year ended 30 June 2025			
Opening balance	**175**	**8**	**183**
Additional provisions recognised	**1**	**-**	**1**
Amounts used	**(10)**	**(8)**	**(18)**
Exchange differences	**2**	**-**	**2**
Unwinding of discount	**11**	**-**	**11**
Closing balance	**179**	**-**	**179**

	Lease make good provisions $ '000	Other provisions $ '000	Total $ '000
Year ended 30 June 2024			
Opening balance	145	100	245
Additional provisions recognised	23	-	23
Amounts used	-	(13)	(13)
Amounts released	-	(79)	(79)
Unwinding of discount	7	-	7
Closing balance	175	8	183

Material accounting policy - provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event; it is probable the Group will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

19 Employee benefits expense

	2025 $ '000	2024 $ '000
Bonus and commission expenses	**4,158**	2,937
Salaries and other short-term benefits	**48,104**	49,598
Staff costs capitalised	**(3,984)**	(3,314)
Superannuation expenses	**5,726**	5,562
Total employee benefits expense	**54,004**	54,783

Material accounting policy - employee benefits

Short-term employee benefits

Employee benefits expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. This also includes share-based payment. Refer to note 21.

Other long-term employee benefits

Employee benefits not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, the experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

20 Key management personnel disclosures

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	2025 $	2024 $
Short-term employee benefits	**2,033,237**	1,418,769
Long-term benefits	**16,694**	19,304
Post-employment benefits	**142,630**	112,265
Termination benefits	**143,965**	-
Share-based payments	**158,896**	286,307
Total	**2,495,422**	1,836,645

21 Share-based payments

The share-based payment expense for the year was $0.2 million (2024: $0.5 million).

An equity incentive plan was established by the Group, whereby the Group may, at the discretion of the Board, grant share appreciation rights ("**SARs**") over ordinary shares in the Company (awards) to certain key management personnel and employees of the Group. The awards are granted and vested in accordance with performance guidelines established by the Board.

Share appreciation rights

During the year, 2,890,090 share appreciation rights were granted at a fair value of $0.30 per right (2024: 2,080,842, at fair value of $0.49 per right). The share appreciation rights were granted with no exercise price and the fair value was determined based on the market value of the Company's share price on the grant date. Vesting of share appreciation rights are subject to predetermined revenue and earnings per share growth target.

Set out below are summaries of share appreciation rights granted under the plan:

2025 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
7 February 2022	7 February 2027	$0.00	1,687,327	-	-	(843,664)	843,663
3 June 2022	18 March 2025	$0.00	181,419	-	-	(181,419)	-
17 October 2022	17 October 2027	$0.00	1,883,868	-	-	(235,426)	1,648,442
29 September 2023(i)	29 September 2028	$0.00	1,753,871	-	-	(219,372)	1,534,499
20 November 2024(ii)	20 November 2029	$0.00	-	2,890,090	-	-	2,890,090
			5,506,485	**2,890,090**	**-**	**(1,479,881)**	**6,916,694**

Valuation model inputs		Notional exercise price(iii)	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
17 October 2022	17 October 2027	$1.25	$0.00	36.0%	0.0%	3.4%	$0.45
20 February 2023	17 October 2027	$1.25	$0.00	36.0%	0.0%	3.4%	$0.45
29 September 2023	29 September 2028	$1.12	$0.00	40.3%	0.0%	3.8%	$0.49
20 November 2024	20 November 2029	$0.99	$0.00	39.1%	0.0%	4.3%	$0.30

i. Share appreciation rights balance at year end includes 214,617 that will be forfeited in August 2025.

ii. Share appreciation rights issued during the year includes 363,268 that will be forfeited in August 2025

iii. The notional exercise price is the predetermined price at which a plan participant can exercise their right to receive the difference between the market value of the Company's shares at the time of exercise and the notional exercise price. The contractual exercise price is $0.00.

21 Share-based payments (continued)

Share appreciation rights (continued)

2024 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
7 February 2022	7 February 2027	$0.00	1,687,327	-	-	-	1,687,327
3 June 2022	7 February 2027	$0.00	181,419	-	-	-	181,419
17 October 2022	17 October 2027	$0.00	1,883,868	-	-	-	1,883,868
20 February 2023	17 October 2027	$0.00	112,661	-	-	(112,661)	-
29 September 2023(i)	29 September 2028	$0.00	-	2,080,842	-	(326,972)	1,753,870
			3,865,275	**2,080,842**	**-**	**(439,633)**	**5,506,484**

Valuation model inputs		Notional exercise price(ii)	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
17 October 2022	17 October 2027	$1.25	$0.00	36.0%	0.0%	3.4%	$0.45
20 February 2023	17 October 2027	$1.25	$0.00	36.0%	0.0%	3.4%	$0.45
29 September 2023	29 September 2028	$1.12	$0.00	40.3%	0.0%	3.8%	$0.49

i. Share appreciation rights issued during the year include 92,052 from a total of 204,713 that relate to the prior year but were issued during the year ended 30 June 2024

ii. The notional exercise price is the predetermined price at which a plan participant can exercise their right to receive the difference between the market value of the Company's shares at the time of exercise and the notional exercise price. The contractual exercise price is $0.00.

Material accounting policy - share-based payments

The main form of equity-settled, share-based compensation provided to employees is share appreciation rights.

The cost of the share appreciation rights granted is measured at fair value on grant date and recognised as an employee expense with a corresponding increase in equity over the vesting period. The amount recognised as an expense is adjusted over the period to reflect the number of share appreciation rights for which the related service and non-market vesting conditions are expected to be met but is not adjusted when market performance conditions are not met.

Critical accounting judgments, estimates and assumptions - share-based payments

Fair value of the share appreciation rights is determined using a Black-Scholes-Merton model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

22 Issued capital

	2025 $ '000	2024 $ '000
Ordinary shares	**212,135**	212,135

	2025 No.	2024 No.
Number of ordinary shares in issue	**272,906,522**	272,906,522
Shares issued during the year		
Opening balance	**272,906,522**	276,484,170
Shares bought back during the year	**-**	(3,577,648)
Closing balance	**272,906,522**	272,906,522

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

In the prior year, the Group commenced an on-market buy-back of its ordinary shares up to a maximum value of $10 million (excluding transaction costs) on 23 August 2023 for a period up to 12 months ("**buy-back**"). In accordance with the ASX Listing Rules, the prices paid for shares purchased under the buy-back was no more than 5% above the volume-weighted average price of the Company's shares over the five trading days prior to purchase. The buy-back was limited to a maximum of 10% of the smallest number of voting shares on issue during the last 12 months, as permitted under the *Corporations Act 2001* (Cth), and therefore did not require shareholder approval.

Shares bought back were cancelled on acquisition, so that the total number of shares on issue reduced accordingly, and this resulted in a consequential adjustment to the voting power of remaining shareholders. During the prior year the Company bought pack 3,577,648 ordinary shares at a cost of $4.5 million (excluding transaction costs). As at 30 June 2024, the number of ordinary shares on issue was 272,906,522, down by 3,577,648 ordinary shares on issue as at 30 June 2023. The on-market buy-back ended on 22 August 2024.

Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

22 Issued capital (continued)

Capital management (continued)

The Group would look to raise capital when an opportunity to invest in a business or company would be seen as value adding.

The Group is subject to certain covenants on its financing arrangements and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged.

Material accounting policy - contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Franking credits account

	2025	2024
	$ '000	$ '000
The franking credits available for subsequent financial years at a tax rate of 30%	**321**	321

The above available balance is based on the dividend franking account at year-end adjusted for:
- Franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date;
- Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; or
- Franking credits that will arise from the receipt of dividends recognised as receivables at the year.

23 Reserves

	2025	2024
	$ '000	$ '000
Acquisition reserve	**(798)**	(798)
Foreign currency reserve	**939**	238
Share-based payment reserve	**9,486**	9,230
Total reserves	**9,627**	8,670

Acquisition reserve

The reserve resulted from the acquisition of non-controlling interests in a subsidiary. The acquisition of non-controlling interest is not a business combination but is an equity transaction between owners. Accordingly, the difference between consideration paid and identifiable net assets of the non-controlling interest has been accounted for in the acquisition reserve.

Foreign currency reserve

The reserve is used to recognise exchange differences arising from translation of the consolidated financial statements of foreign operations to Australian dollars.

23 Reserves (continued)

Share-based payment reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Acquisition reserve $ '000	Foreign currency reserve $ '000	Share-based payment reserve $ '000	Total $ '000
Year ended 30 June 2025				
Opening balance	**(798)**	**238**	**9,230**	**8,670**
Foreign currency translation	**-**	**701**	**-**	**701**
Share-based payments	**-**	**-**	**256**	**256**
Closing balance	**(798)**	**939**	**9,486**	**9,627**

	Acquisition reserve $ '000	Foreign currency reserve $ '000	Share-based payment reserve $ '000	Total $ '000
Year ended 30 June 2024				
Opening balance	(798)	573	8,700	8,475
Foreign currency translation	-	(335)	-	(335)
Share-based payments	-	-	530	530
Closing balance	(798)	238	9,230	8,670

Material accounting policy - foreign currency translation

The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

23 Reserves (continued)

Material accounting policy - foreign currency translation (continued)

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

24 Borrowings

	2025 $ '000	2024 $ '000
Bank loans	-	1,000
Total non-current borrowings	-	1,000

Bank loans

The bank loan facility is subject to variable interest rates, which are based on the bank bill swap rate ("**BBSR**"), plus a margin. The bank loan facility consists of a revolving facility commitment of $10.0 million expiring on 27 June 2027. The bank loan facility was temporarily increased to $15.0 million on 5 December 2024 and reduced back to $10.0 million in March 2025. The banking facility is secured by fixed and floating charges over the Group's assets. The loans drawn were repaid in full by the end of March 2025.

Banking facilities

Bank guarantee of $2.0 million and ancillary facility of $0.1 million are available to the Group which are subject to a regular review.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

Total facilities

	2025 $ '000	2024 $ '000
Bank loans	**10,000**	10,000
Bank guarantee and ancillary facilities	**2,130**	2,118
Total	**12,130**	12,118

Used at the reporting date

	2025 $ '000	2024 $ '000
Bank loans	-	1,000
Bank guarantee and ancillary facilities	-	-
Total	-	1,000

Unused at the reporting date

	2025	2024
Bank loans	**10,000**	9,000
Bank guarantee and ancillary facilities	**2,130**	2,118
Total	**12,130**	11,118

As at the reporting date, there are no used bank guarantees (2024: not used) with the bank.

24 Borrowings (continued)

Material accounting policy - borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

25 Cash and cash equivalents

	2025 $ '000	2024 $ '000
Cash at bank and in hand	**8,505**	1,970
Total cash and cash equivalents	**8,505**	1,970

Net cash of $11.6 million at 30 June 2025 consists of $8.5 million cash and $3.1 million restricted cash (refer to note 12). External borrowings at 30 June 2025 is nil (refer to note 24).

Material accounting policy - cash and cash equivalents

Cash and cash equivalents include cash on hand; deposits held at call with financial institutions; and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

26 Cash flow information

Reconciliation of net income to net cash provided by operating activities:

	2025 $ '000	2024 $ '000
Profit/(loss) for the year	**210**	(57,020)
Adjustments for:		
Depreciation and amortisation expenses	**10,634**	10,945
Impairment losses	**-**	45,148
Share-based payments	**256**	530
Foreign exchange differences	**(98)**	(151)
Net (gain)/loss on disposal of assets	**(56)**	5
Gain on bargain purchase	**(234)**	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	**866**	1,965
Decrease in deferred tax assets	**(1,053)**	(10,529)
Increase in deferred contract costs	**1,545**	503
Decrease in other operating assets	**1,199**	6
Increase/(decrease) in trade and other payables	**647**	(578)
Decrease in contract liabilities	**(2,451)**	(3,981)
Increase in provision for income tax	**748**	658
Increase/(decrease) in employee benefits	**366**	(384)
(Decrease)/increase in other provisions	**(4)**	692
Net cash from operating activities	**12,575**	(12,191)

26 Cash flow information (continued)

Changes in liabilities arising from financing activities

	2025	Capital payment	Interest payment	Addition	Foreign exchange movement	Interest on capital	Termination	2025
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Lease liabilities	**2,086**	**(791)**	**(98)**	**99**	**52**	**98**	**(562)**	**884**
Borrowing	**1,000**	**(11,000)**	**(434)**	**10,000**	**-**	**434**	**-**	**-**
Total liabilities from financing activities	**3,086**	**(11,791)**	**(532)**	**10,099**	**52**	**532**	**(562)**	**884**

	2024	Capital payment	Interest payment	Addition	Foreign exchange movement	Interest on capital	Termination	2024
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Lease liabilities	1,541	(791)	(125)	1,360	(24)	125	-	2,086
Borrowing	-	(2,000)	(13)	3,000	-	13	-	1,000
Total liabilities from financing activities	1,541	(2,791)	(138)	4,360	(24)	138	-	3,086

Non-cash financing and investing activities

	2025	2024
	$ '000	$ '000
Additions to the right-of-use assets	**139**	1,398

27 Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risks, and ageing analysis for credit risk.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit and Risk Committee, which is responsible for managing risk. The committee reports to the Board on its activities.

Risk management processes are established to identify and analyse the risks faced by the Group, the risk exposure of the Group and appropriate procedures, controls and risk limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities.

The Audit and Risk Committee oversees how management monitors compliance with the Group’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

27 Financial instruments (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign currency risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

To a significant extent, the Group’s business currently enjoys natural hedges. The revenue that the Group obtains in a particular foreign currency closely matches the expenses it incurs in that currency (such as Pound Sterling). The Board believes that natural hedges presently mitigate any exchange rate volatility risk for the Group to an economically acceptable level.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities (unhedged) at the reporting date were as follows:

	US Dollar	Euro	Pound Sterling	New Zealand Dollar	Canadian Dollar	Other currencies
	'000	'000	'000	'000	'000	'000
Assets						
30 June 2025	**1,486**	**113**	**1,100**	**226**	**1,570**	**2,025**
30 June 2024	1,587	74	653	182	1,299	604
Liabilities						
30 June 2025	**288**	**9**	**491**	**4**	**25**	**-**
30 June 2024	443	-	355	8	4	-

The Group had net assets denominated in foreign currencies of $5.7 million (assets $6.5 million less liabilities $0.8 million) as at 30 June 2025 (2024: $3.6 million (assets $4.4 million less liabilities $0.8 million)). Based on this exposure, had the Australian dollar weakened by 10%/strengthened by 10% (2024: weakened by 10%/strengthened by 10%) against these foreign currencies with all other variables held constant, the Group's profit/loss before tax for the year would have been $0.6 million higher/$0.6 million lower (2024: $0.4 million higher/$0.4 million lower). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations.

Interest rate risk

The Group is not exposed to any significant interest rate risk.

Price risk

The Group is not exposed to any significant price risk.

27 Financial instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the consolidated financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.

The majority of schools and consumers pay upfront and the nature of the customer base has a low impact on the Group's credit risk exposure.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents and available debt facilities) to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

Unused borrowing facilities at the reporting date:

	2025 $ '000	2024 $ '000
Bank loans	**10,000**	9,000
Bank guarantee and ancillary facilities	**2,130**	2,118
Total	**12,130**	11,118

27 Financial instruments (continued)

Liquidity risk (continued)

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 30 June 2025	Weighted average interest rate %	1 year or less $ '000	Between 1 and 2 years $ '000	Between 2 and 5 years $ '000	Over 5 years $ '000	Remaining contractual maturities $ '000
Non-derivatives						
Non-interest bearing						
Trade payables		**2,471**	**-**	**-**	**-**	**2,471**
Other payables		**465**	**-**	**-**	**-**	**465**
GST payable		**167**	**-**	**-**	**-**	**167**
		3,103	**-**	**-**	**-**	**3,103**
Interest-bearing - fixed rate						**-**
Lease liability	**6.5 %**	**615**	**269**	**-**	**-**	**884**
		615	**269**	**-**	**-**	**884**
Total non-derivatives		**3,718**	**269**	**-**	**-**	**3,987**

Consolidated - 30 June 2024	Weighted average interest rate %	1 year or less $ '000	Between 1 and 2 years $ '000	Between 2 and 5 years $ '000	Over 5 years $ '000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables		2,588	-	-	-	2,588
Other payables		420	-	-	-	420
GST payable		156	-	-	-	156
		3,164	-	-	-	3,164
Interest-bearing - fixed rate						
Lease liability	6.2%	1,063	814	524	-	2,401
		1,063	814	524	-	2,401
Interest-bearing - variable rate						
Borrowing	6.2%	-	-	1,005	-	1,005
		-	-	1,005	-	1,005
Total non-derivatives		4,227	814	1,529	-	6,570

27 Financial instruments (continued)

Liquidity risk (continued)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above. The Group may repay debt when cash is sufficiently available, and this may occur earlier than contractually disclosed above.

28 Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Material accounting policy - fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either in the principal market or, in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value are used maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

29 Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the Company, its network firms and unrelated firms:

	2025 $	2024 $
Audit services		
Audit or review of the financial statements - KPMG (Australia)	**506,432**	407,550
Non-audit related services - KPMG (Australia)	**1,500**	-
Total	**507,932**	407,550
Audit services - overseas unrelated firms		
Audit or review of the financial statements	**55,350**	23,223

Non-audit related services relate to training provided by KPMG.

30 Commitments

The Group had no commitments as at 30 June 2025 and 30 June 2024.

31 Contingencies

The Group has no bank guarantees as at 30 June 2025 (2024: nil) for merchant facilities and operating leases.

In the opinion of the Directors, at 30 June 2025 (30 June 2024: $1.0 million) a $1.0 million contingent liability exists in relation to the acquisition of Brightpath. As announced to the Australian Securities Exchange on 30 September 2022, a further payment to the sellers may be due subject to the achievement of certain future 12-month revenue targets for four years from the date of acquisition. This payment will be accrued if deemed probable. As of 30 June 2025, no future contingent payment amounts have been accrued or paid.

32 Related parties

Parent entity

3P Learning Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 34.

Key management personnel

Disclosures relating to key management personnel are set out in note 20 and the remuneration report included in the Directors' report.

Related parties

The Group has a publishing, distribution and transition service agreement with Kalaci Pty Ltd (trading as Pascal Press) and a software licence commercial agreement with Clickview Pty Ltd. Matthew Sandblom is a shareholder of both the companies. The Group also has an ongoing office lease agreement and consultancy agreement with Matthew Sandblom.

Transactions with related parties

The following transactions occurred with related parties:

	2025	2024
	$	$
Payment for publishing and distribution services with Kalaci Pty Ltd	**301,324**	266,303
Income for publishing and distribution services with Kalaci Pty Ltd	**160,202**	161,877
Payment for operational services with Kalaci Pty Ltd	**249,772**	120,856
Income for operational services with Kalaci Pty Ltd	**82,116**	56,742
Lease of office premise from Matthew Sandblom	**398,000**	398,000
Payment for software licence fees with Clickview Pty Ltd	**121,772**	71,517
Payment for Director fees to Matthew Sandblom[(i)]	**1**	1

i. Terms as agreed between Matthew Sandblom and the Company.

32 Related parties (continued)

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2025 $	2024 $
Current receivables:		
Trade receivables from Director related entities of Matthew Sandblom	**18,175**	30,675
Current payables:		
Trade payables to Director related entities of Matthew Sandblom	**73,329**	78,862
Lease liability to Director related entities of Matthew Sandblom	**571,933**	945,890

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

33 Parent entity information

	2025 $ '000	2024 $ '000
Statement of financial position		
Assets		
Current assets	**5,588**	3,536
Non-current assets	**185,281**	168,231
Total assets	**190,869**	171,767
Liabilities		
Current liabilities	**61,198**	51,865
Non-current liabilities	**572**	657
Total liabilities	**61,770**	52,522
Equity		
Issued capital	**212,135**	212,135
Share-based payment reserve	**9,486**	9,230
Profit reserve	**9,598**	-
Accumulated losses	**(102,120)**	(102,120)
Total equity	**129,099**	119,245
Statement of profit or loss and other comprehensive income		
Income/(loss) after income tax	**9,598**	(41,468)
Total comprehensive income/(loss)	**9,598**	(41,468)

34 Parent entity information (continued)

Impairment reversal of investment in subsidiary

The Blake acquisition on 28 May 2021 gave rise to a non-current asset, investment in subsidiary. During the prior year, the Group prepared an impairment assessment to calculate the recoverable amount of the Group's CGUs. The value in use for the investment in Blake was compared to the carrying value of the investment in subsidiary and an impairment loss of $49.7 million was recorded at the Parent entity level in the prior year. The current year impairment assessment calculated an excess of value in use compared to the carrying value and $17.5 million of the previous impairment loss was reversed. The impairment loss and reversal of impairment are eliminated on consolidation.

Profit reserve

Management classified $9.6 million of the current year profit to a profit reserve.

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity and its subsidiaries are parties to a deed of cross-guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in the subsidiary. Refer to note 36 for further information.

Contingent liabilities

The parent entity has nil bank guarantees as at 30 June 2025 (2024: nil) for merchant facilities and operating leases.

In the opinion of the Directors, at 30 June 2025 (30 June 2024: $1.0 million) a $1.0 million contingent liability exists in relation to the acquisition of Brightpath. As announced to the Australian Securities Exchange on 30 September 2022, a further payment to the sellers may be due subject to the achievement of certain future 12-month revenue targets for four years from the date of acquisition. This payment will be accrued if deemed probable. As of 30 June 2025, no future contingent payment amounts have been accrued or paid.

Contractual commitments - plant and equipment

The parent entity did not have any commitments for plant and equipment as at 30 June 2025 or 30 June 2024.

Material accounting policies - parent entity

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1.2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Notes to the consolidated financial statements
For the year ended 30 June 2025

34 Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1.2:

	Principal place of business	Percentage Owned (%)	Percentage Owned (%)
		2025	2024
3P International Holdings Pty Ltd	Australia	**100%**	100%
3P Learning Australia Pty Ltd	Australia	**100%**	100%
3P Learning Canada Limited	Canada	**100%**	100%
3P Learning Inc.	United States	**100%**	100%
3P Learning NZ Limited	New Zealand	**100%**	100%
3P Learning UK Limited	United Kingdom	**100%**	100%
Blake eLearning Inc.	United States	**100%**	100%
Blake eLearning Pty Limited	Australia	**100%**	100%
Blake eLearning UK Limited	United Kingdom	**100%**	100%
Pairwise Pty Ltd	Australia	**100%**	100%
Intrepica Pty Ltd[i]	Australia	**100%**	-%
Intrepica UK Limited[i]	United Kingdom	**100%**	-%
LiteracyPlanet Inc[i]	United States	**100%**	-%

i. The parent company acquired Intrepica Pty Ltd and its fully-controlled subsidiaries on 3 January 2025, refer to note 35.

35 Business combinations

On 3 January 2025, the Company acquired a 100% interest of LiteracyPlanet, resulting in 3P Learning Limited obtaining control of LiteracyPlanet. The following table shows the assets acquired, liabilities assumed and the purchase consideration at the acquisition date.

	Acquiree's carrying amount	Fair value
	$ '000	$ '000
Purchase consideration:		
Cash		1,200
Total purchase consideration		1,200
Assets or liabilities acquired:		
Cash	308	308
Trade and other receivables	1,051	1,051
Plant and equipment	10	10
Intangible assets	491	1,396
Deferred tax assets	-	10
Trade and other payables	(126)	(126)
Contract liabilities	(1,228)	(1,071)
Provisions	(125)	(125)
Income tax liabilities	(19)	(19)
Total net identifiable assets	362	1,434
Identifiable assets acquired and liabilities assumed	362	1,434
Consideration paid		1,200
Less: Identifiable assets acquired		1,434
Gain on bargain purchase		**(234)**

Net cash paid for business combination of $0.9 million comprises of $1.2 million cash consideration paid to shareholders of LiteracyPlanet, and acquired cash balances of $0.3 million. The total acquisition cost of $1.5 million consisted of $1.2m paid to shareholders and $0.3 million paid for acquisition-related cost. Acquisition-related costs are included in restructure and integration costs in the consolidated statement of profit and loss and other comprehensive income.

Fair value of net assets acquired was determined by a third-party valuer and the acquisition resulted in a bargain purchase. The gain on bargain purchase of $0.3 million is recognised in the consolidated statement of profit and loss and other comprehensive income immediately.

Since the date of acquisition, revenue of $0.8 million and net loss of $0.4 million are included in the consolidated statement of profit and loss and other comprehensive income for the year ended 30 June 2025. Had the acquisition occurred on 1 July 2024, management estimates that the consolidated statement of profit and loss and other comprehensive income would have included $1.9 million revenue and $0.9 million net loss from LiteracyPlanet. As of 30 June 2025, the remaining accounts receivable balance of LiteracyPlanet is $6,000. Therefore, the balance acquired is assessed to be substantively recoverable.

LiteracyPlanet launched in 2009 to inspire a lifetime of learning for students, educators and parents, and to improve English literacy skills and education accessibility worldwide. LiteracyPlanet complements the Group’s suite of programs and enhances the literacy product offerings for students in School Years 2 to 10.

The purchase price accounting and the allocation of fair value to goodwill and other intangible assets for the acquisition of LiteracyPlanet were finalised as at 30 June 2025.

35 Business combinations (continued)

Acquisition related costs

	2025 $ '000
Acquisition-related legal and consulting cost	338

Material accounting policy - business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The acquisition method of accounting is used to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. To determine whether a set of activities and assets constitutes a business, the Group has the choice to apply a "concentration test", which is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. Alternatively, to determine if a business has been acquired, the Group assesses whether (as a minimum) an input and substantive process has been acquired and whether there is an ability to produce outputs from these.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree, and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition date.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition date. The measurement period ends on the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Critical accounting judgements, estimates and assumptions - business combinations

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, and liabilities and contingent liabilities assumed, are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

36 Deed of cross-guarantee

The following entities are party to a deed of cross-guarantee under which each company guarantees the debts of the others:

3P Learning Limited ("**Parent entity**")
Blake eLearning Pty Ltd

By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare financial statements and Directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a "Closed Group" for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross-guarantee that are controlled by 3P Learning Limited, they also represent the "Extended Closed Group".

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the "Closed Group":

	2025 $ '000	2024 $ '000
Statement of profit or loss and other comprehensive income		
Revenue	**49,392**	53,780
Other income	**24,409**	37,616
Interest income	**249**	546
Administrative expenses	**(3,911)**	(3,453)
Buy-back of distributor rights	**-**	(19,628)
Corporate advisory costs	**(208)**	-
Deferred contract costs	**(6,683)**	(9,495)
Depreciation and amortisation expenses	**(9,360)**	(9,803)
Employee expenses	**(29,970)**	(31,046)
Finance costs	**(492)**	(161)
Impairment losses	**-**	(45,148)
Marketing expenses	**(12,733)**	(12,576)
Occupancy expenses	**(192)**	(341)
Professional fees	**(2,398)**	(2,410)
Restructure and integration costs	**(1,138)**	(2,047)
Reversal of bad debt expenses	**8,171**	3,320
Service charges	**(1,221)**	(5,867)
Technology costs	**(8,998)**	(8,393)
Profit/(loss) before income tax	**4,917**	(55,106)
Income tax benefit	**1,975**	8,674
Profit/(loss) after income tax	**6,892**	(46,432)
Total comprehensive income/(loss) for the year	**6,892**	(46,432)
Equity - accumulated losses		
Retained earnings:		
Accumulated losses at the beginning of the financial year	**(102,123)**	(55,691)
Profit/(loss) after income tax	**6,892**	(46,432)
Accumulated losses at the end of the financial year	**(95,231)**	(102,123)

36 Deed of cross-guarantee (continued)

	2025 $ '000	2024 $ '000
Statement of financial position		
Current assets		
Cash and cash equivalents	**3,838**	959
Trade and other receivables	**3,008**	2,956
Deferred contract costs	**1,234**	2,166
Other assets	**5,782**	6,739
Total current assets	**13,862**	12,820
Non-current assets		
Investments	**11,100**	9,899
Plant and equipment	**665**	810
Intangibles	**137,851**	141,960
Right-of-use assets	**608**	1,036
Deferred contract costs	**107**	687
Deferred tax assets	**13,638**	11,312
Total non-current assets	**163,969**	165,704
Total assets	**177,831**	178,524
Current liabilities		
Trade and other payables	**35,381**	40,217
Contract liabilities	**9,752**	10,697
Lease liabilities	**439**	415
Provisions	**3,493**	3,326
Total current liabilities	**49,065**	54,655
Non-current liabilities		
Borrowings	**-**	1,000
Contract liabilities	**108**	1,060
Lease liabilities	**192**	634
Provisions	**653**	512
Total non-current liabilities	**953**	3,206
Total liabilities	**50,018**	57,861
Net assets	**127,813**	120,663
Equity		
Issued capital	**212,135**	212,135
Reserves	**10,909**	10,651
Accumulated losses	**(95,231)**	(102,123)
Total equity	**127,813**	120,663

37 Events occurring after the reporting date

The financial report was authorised for issue on 29 August 2025 by the Board.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Consolidated entity disclosure statement

For the Year Ended 30 June 2025

Set out below is a list of entities that are consolidated in this set of consolidated financial statements as at 30 June 2025 in accordance with the *Corporations Act 2001* (Cth) (s.295(3A)(a)).

Entity Name	Body corporate, partnership or trust	Place incorporated	% of share capital held directly or indirectly by the Company in the body corporate 2025	2024	Australian or foreign tax resident	Jurisdiction for foreign resident
3P Learning Limited	Body corporate	Australia	100%	100%	Australian	Not applicable
3P International Holdings Pty Ltd	Body corporate	Australia	100%	100%	Australian	Not applicable
3P International Holdings Pty Ltd - SA Branch	Branch	South Africa	100%	100%	Foreign	South Africa
3P Learning Australia Pty Ltd	Body corporate	Australia	100%	100%	Australian	Not applicable
3P Learning Canada Limited	Body corporate	Canada	100%	100%	Foreign	Canada
3P Learning Inc.	Body corporate	United States	100%	100%	Foreign	United States
3P Learning NZ Limited	Body corporate	New Zealand	100%	100%	Foreign	New Zealand
3P Learning UK Limited	Body corporate	United Kingdom	100%	100%	Foreign	United Kingdom
Blake eLearning Inc.	Body corporate	United States	100%	100%	Foreign	United States
Blake eLearning Pty Limited	Body corporate	Australia	100%	100%	Australian	Not applicable
Blake eLearning UK Limited	Body corporate	United Kingdom	100%	100%	Foreign	United Kingdom
Pairwise Pty Ltd	Body corporate	Australia	100%	100%	Australian	Not applicable
Intrepica Pty Ltd	Body corporate	Australia	100%	-%	Australian	Not applicable
Intrepica UK Limited	Body corporate	United Kingdom	100%	-%	Foreign	United Kingdom
LiteracyPlanet Inc	Body corporate	United States	100%	-%	Foreign	United States

Determination of tax residency

Section 295 (3A) of the *Corporations Act 2001* (Cth) requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement be disclosed. In the context of an entity which was an Australian resident, “Australian resident” has the meaning provided in the *Income Tax Assessment Act 1997* (Cth). The determination of tax residency involves judgement as it is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation’s public guidance in Tax Ruling TR 2018/5.

Consolidated entity disclosure statement

For the Year Ended 30 June 2025

Determination of tax residency (continued)

Foreign tax residency

The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Branches (permanent establishments)

3P International Holding Pty Ltd is incorporated in Australian and has a registered branch in South Africa. The branch operations have a tax obligation in South Africa under South African Income Tax Act 58 of 1962.

Foreign branches of Australian subsidiaries are not separate level entities and therefore do not have a separate residency for Australian tax purposes. Generally, the Australian subsidiary that the branch is a part of will be the relevant tax resident, rather than the branch operations.

Additional disclosures on the tax status of Australian subsidiaries having a foreign branch with a taxable presence in that jurisdiction have been provided where relevant.

Directors' declaration

1. In the opinion of the Directors of the Company:

   a. the consolidated financial statements and notes that are set out on pages 64 to 116 and remuneration report in the Directors' report for the year ended 30 June 2025 are in accordance with the *Corporations Act 2001* (Cth), including:
      i. give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
      ii. comply with Australian Accounting Standards and the *Corporations Regulations 2001*;

   b. the Consolidated Entity Disclosure Statement set out on page 117 to 118 as at 30 June 2025 is true and correct; and

   c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. There are reasonable grounds to believe that the Company and the entities identified in note 36 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross-Guarantee between the Company and the entities pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785.

3. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* (Cth) from the CEO and CFO for the financial year ended 30 June 2025.

4. The Directors draw attention to note 1.1 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors.

Matthew Sandblom
Executive Chairman
29 August 2025

Sydney

Independent Auditor's Report

To the shareholders of 3P Learning Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of 3P Learning Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 30 June 2025 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2025
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2025
- Notes, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Carrying amount of goodwill and other intangible assets
- Revenue recognition and related contract liabilities

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying amount of goodwill and other intangible assets ($151.5m)

Refer to Note 14 to the Financial Report.

The key audit matter	How the matter was addressed in our audit
The carrying amount of goodwill and other intangible assets is a key audit matter due to the inherent estimation uncertainty associated with auditing the forward-looking assumptions incorporated in the Group's value in use (VIU) models. The Group's VIU models are internally developed and use a range of internal and external data as inputs. The key assumptions in the VIU models include billings growth, expenses growth, discount rates and terminal growth rates. These forward-looking assumptions may be prone to greater risk for potential bias, error and inconsistent application, therefore necessitating additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application. Where the Group has not met prior year forecasts in relation to a specific CGU, we factored this into our assessment of key assumptions and reliability of current forecasts.	Working with our valuation specialists, our procedures included: • Considering the appropriateness of the VIU method applied by the Group in performing the annual test of goodwill for impairment against the requirements of the accounting standards; • Assessing the integrity of the VIU models used, including the accuracy of the underlying calculation formulas; • Assessing the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the models; • Challenging the Group's significant forecast cash flow and growth assumptions when comparing the forecast cash flows to the Board approved plan and strategy. This involved: - applying increased scepticism to forecasts in the areas where previous forecasts were not achieved; - considering any differences between forecast growth rates (including terminal growth rates) and published studies of industry trends based on our knowledge of the Group's operations/strategy and their past performance. • Independently developed a discount rate

	range using publicly available market data for comparable entities, adjusted by risk factors specific to the CGUs; • Considering the sensitivity of the models by varying key assumptions, such as forecast growth rates, terminal growth rates and discount rates, within a reasonably possible range. We did this to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures; • Assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

Revenue recognition and related contract liabilities ($108.9m)	
Refer to Note 3 to the Financial Report.	
The key audit matter	**How the matter was addressed in our audit**
The recognition of revenue and related contract liabilities is a key audit matter due to: • the significance of revenue and contract liabilities to the financial statements; and • revenue being a key performance indicator for the Group.	Our procedures included: • Assessing the appropriateness of the Group's accounting policies related to revenue recognition and contract liabilities against the requirements of the accounting standard and our understanding of the business and industry practice; • Testing a sample of revenue transactions and a sample of contract liability balances to underlying documentation such as signed customer contracts, statements from sales agents and cash receipts. This included checking the duration of customer access from the contract to the period of revenue recognition; • Recalculating the contract liability balance at year end based on cash receipts and revenue recognised for the year tested above; • Evaluating the adequacy of disclosures in the financial report using our understanding obtained from our testing and against the requirements of Australian Accounting Standards.

Other Information

Other Information is financial and non-financial information in 3P Learning Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of 3P Learning Limited for the year ended 30 June 2025, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages, 46 to 62 of the Directors' report for the year ended 30 June 2025.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

KPMG

KPMG

Daniel Robinson

Partner

Sydney

29 August 2025

Shareholder information
30 June 2025

The shareholder information set out below was applicable as at 28 July 2025.

Substantial shareholders
The number of substantial shareholders and their associates are set out below:

Shareholders	Number of shares	% of total shares issued
Pascal Educational Services Pty Ltd ATF Blake Sandblom Trust	80,200,000	29.39
Pascal Educational Services Pty Ltd ATF BEL Unit Trust	12,787,000	4.69
KPIT Pty Ltd ATF KP Investment Trust	40,850,000	14.97
HSBC Custody Nominees (Australia) Limited	52,649,612	19.29
J P Morgan Nominees Australia Pty Limited	50,811,686	18.62

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary Shares
On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options, performance and share appreciation rights
Options, performance and share appreciation rights carry no voting rights.

There are no other classes of equity securities.

Distribution of equity security holders
Analysis of number of equitable holders by size of holding:

	Ordinary shares	
Holding	Number of holders	% of total shares issued
1 - 1,000	137,909	0.05
1,001 - 5,000	526,057	0.19
5,001 - 10,000	627,090	0.23
10,001 - 100,000	3,466,821	1.27
100,001 and over	268,148,645	98.26
	272,906,522	100.00

There were 287 holders of less than a marketable parcel of ordinary shares.

Shareholder information
30 June 2025

Equity security holders

20 largest quoted equity security holders

The names of the 20 largest security holders of quoted securities are listed below:

	Ordinary shares	
	Number held	% of issued shares
Pascal Educational Services Pty Ltd	80,200,000	29.39
HSBC Custody Nominees (Australia) Limited	52,649,612	19.29
J P Morgan Nominees Australia Pty Limited	50,811,686	18.62
KPIT Pty Ltd	40,850,000	14.97
Pascal Educational Services Pty Ltd	12,787,000	4.69
Mutual Trust Pty Ltd	11,818,178	4.33
Citicorp Nominees Pty Limited	9,080,671	3.33
BNP Paribas Nominees Pty Ltd	2,193,245	0.80
Blake Beckett Pty Ltd	2,000,000	0.73
Leopard Capital Pty Ltd	483,826	0.18
Mutual Appreciation Society Pty Limited	415,740	0.15
Leopard Capital Pty Ltd	404,920	0.15
Mantou Republic Pty Ltd	386,994	0.14
S D & M Software Pty Ltd	377,235	0.14
Allan Brackin Retirement Fund Pty Ltd	322,895	0.12
Bretton Pty Ltd	300,000	0.11
Mr Jonathan Claude Kenny	288,856	0.11
Mr Kei Yan Cheng	284,280	0.10
Nepean Superannuation Pty Ltd	254,584	0.09
Mr Sean Patrick Martin	218,000	0.08
	266,127,722	97.52

Unquoted equity securities

	Number on issue	Number of holders
Share appreciation rights	6,916,694	6

Corporate directory
30 June 2025

Directors	Matthew Sandblom - Executive Chairman and Director Allan Brackin - Non-Executive Director Mark Lamont - Non-Executive Director Katherine Ostin - Non-Executive Director Craig Coleman - Non-Executive Director
Chief Executive Officer	Jose Palmero
Chief Financial Officer	Adam McArthur
Company secretary	Joyce Li
Registered office and principal place of business	3P Learning Limited 655 Parramatta Road, Leichhardt NSW 2040 Head office telephone: 1300 850 331
Share register	The Registrar Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 Share registry telephone: 1300 554 474
Auditor	KPMG Level 38, Tower 3, 300 Barangaroo Avenue Sydney NSW 2000
Stock exchange listing	3P Learning Limited shares are listed on the Australian Securities Exchange (ASX code: 3PL)
Website	http://www.3plearning.com/
Corporate Governance Statement	The directors and management are committed to conducting the business of 3P Learning Limited in an ethical manner and in accordance with the highest standards of corporate governance. 3P Learning Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ("Recommendations") to the extent appropriate to the size and nature of its operations. The Group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, and ASX Appendix 4G are released to the ASX on the same day the Annual Report is released. The Corporate Governance Statement and Corporate Governance Compliance Manual can be found on the company's website at: http://www.3plearning.com/investors/governance/

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ABN 50 103 827 836

Tel. 1300 850 331

Email address: investors@3plearning.com