



Investor & Analyst Briefing

Full year ended
30 June 2025

Presented:

29 August 2025 by
Chairman **Matthew Sandblom**
CEO **Jose Palmero**
CFO **Adam McArthur**

3P Learning Limited
ABN 50 103 827 836



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Our Programs

	 <i>Acquired Jan 3, 2025</i>				
<p>Learning to read made fun and rewarding for young children</p>	<p>Improving student achievement in spelling, grammar and comprehension</p>	<p>Where children learn to write with confidence and success</p>	<p>Improving student engagement and achievement in mathematics</p>	<p>Teaching children foundational maths and problem-solving skills</p>	<p>Writing and maths assessment that makes progress visible</p>
<p>Ages 2 – 13</p>	<p>Ages 4 - 15</p>	<p>Ages 6 – 12</p>	<p>Ages 5 – 16</p>	<p>Ages 3 – 9</p>	<p>Ages 6 – 16</p>

- **Chairman's Update**
- **CEO Update**
- **CFO: Results & Cash Flow**
- **Outlook**
- **Q&A**
- **Appendices**



Chairman's Update

Matthew Sandblom



FY25 Highlights and Product Investment

Improved profitability and cash, sales steady :

- Underlying EBITDA is up 30% and net cash balance at \$11.6m, \$6.5m higher than last year
- Revenue was down 1% on FY24 at \$109.1m
- Cost management initiatives are delivering profit improvement

Continued focus on pre-K to 6 market, and Essential Skills:

- Transition from product investment phase to sales and marketing execution
- More use of AI across business processes to improve top and bottom line
- Product development focused on integrations, reporting, and Teacher UX



FY25 Highlights B2B and B2C

B2B evolving as we transition to 3 Essentials and expand in US

- 3 Essentials launched in APAC and EMEA with good early signs
- Have completed a full renewal cycle since acquisition of Reading Eggs US school rights from Edmentum. Now we have direct control of distribution in all our key markets
- Acquired LiteracyPlanet in Jan 2025



B2C stable in challenging market conditions:

- Billings flat on pcp despite cost of living headwinds for parents
- Launched Homeschool Max in June 2025 with enhanced functionality and features to help home schooler parents and families
- Excited about the potential for this large and growing market

FY26 Objectives

- In FY25, the overall story was to keep profitability up and to continue our business transformation while sales were steady
- We are beginning to see improved productivity from the introduction of AI across most areas of the business
- Key objectives for FY26 are to increase school adoptions of 3 Essentials in APAC and EMEA and to drive strong billings growth in AMER in both school districts and home school markets



CEO Update

Jose Palmero



FY25 Highlights

UNDERLYING¹ EBITDA

\$15.5m

+30%
vs pcp²



REVENUE³

\$109.1m

-1%
vs pcp



B2C BILLINGS⁴

\$42.9m

-1%
vs pcp



B2B ARR

\$61.6m

-1%
vs pcp



UNDERLYING¹ CASH FLOW FROM OPERATIONS BEFORE TAX

\$14.2m

- \$11.6m net cash⁵ (+\$6.5m vs pcp)
- \$8.5m statutory cash



CUSTOMERS

5.0m

- B2B Licences 4.7m (-2.5% vs pcp)
- B2C Licences 276k (-5% vs pcp)



PRODUCT

\$27.0m

- \$23.0m Product development - expensed
- \$1.5m Writing Legends investment - capitalised
- \$2.6m Other products investment - capitalised



OTHER INVESTMENT

\$1.5m

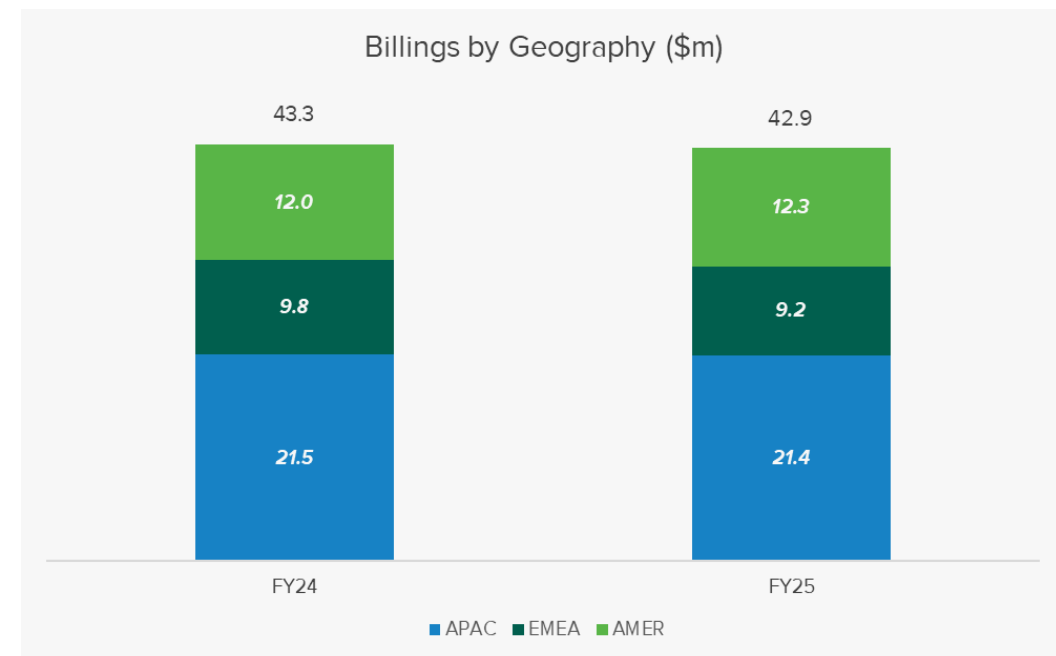
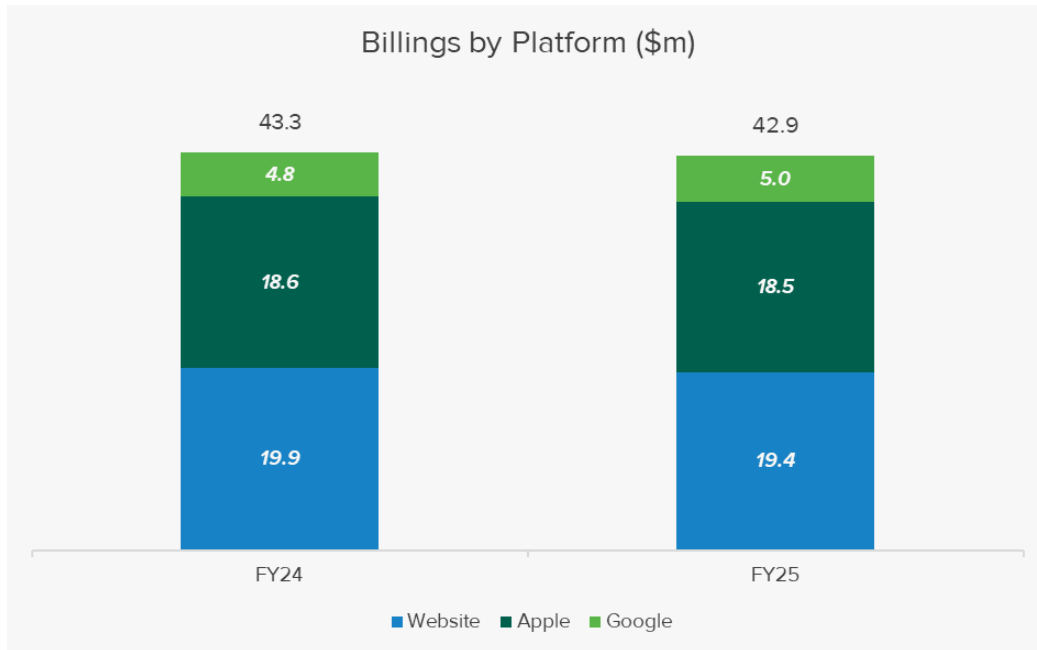
- \$1.5m Acquisition of Literacy Planet on 3 January 2025



1. 'Underlying' is a non-statutory measure and is the primary reporting measure used by the CEO and Board of Directors for assessing the performance of our business.
2. pcp: prior comparison period which is 12 months to 30 June 2024.
3. Revenue includes revenue and other income.
4. Billings are reported on a 'gross' basis before any commissions are deducted by Apple and/or Google.
5. Includes \$3.1m restricted cash.

Performance in the Consumer Market (B2C)

Consumer billings¹ were steady in FY25 vs FY24 across all key markets and channels.



- Reading Eggs, Mathseeds, and Mathletics billings were \$42.9m, down 1% on pcp.
- Net billings contribution margin of 53%, including direct sales, marketing and platform commissions costs.
- Mobile performance driven by Google Play store (up 5% on pcp) and Apple store (flat on pcp).
- Reading Eggs Homeschool Max launched in June 2025, at higher price point. Positive response from the US Homeschool market.

1. Billings are reported on 'gross' basis before any commissions are deducted by Apple and/or Google and exclude Workbooks.

Launch of Homeschool Max

We launched an upgraded version of Reading Eggs targeting the growing Homeschool market in the US.



Homeschool Max Details

- Target – US Homeschool families
- Priced at USD299, which is 3x the price of basic Home package
- Substantial additional functionality with greater “teacher” and reporting features for homeschool parents.

The Homeschool market in the USA

- Large and growing market, supported by Government funded Education Saving Account (ESA) program
- Already approved in 8 US states for ESA funding status and applied to qualify for an additional 8 states.

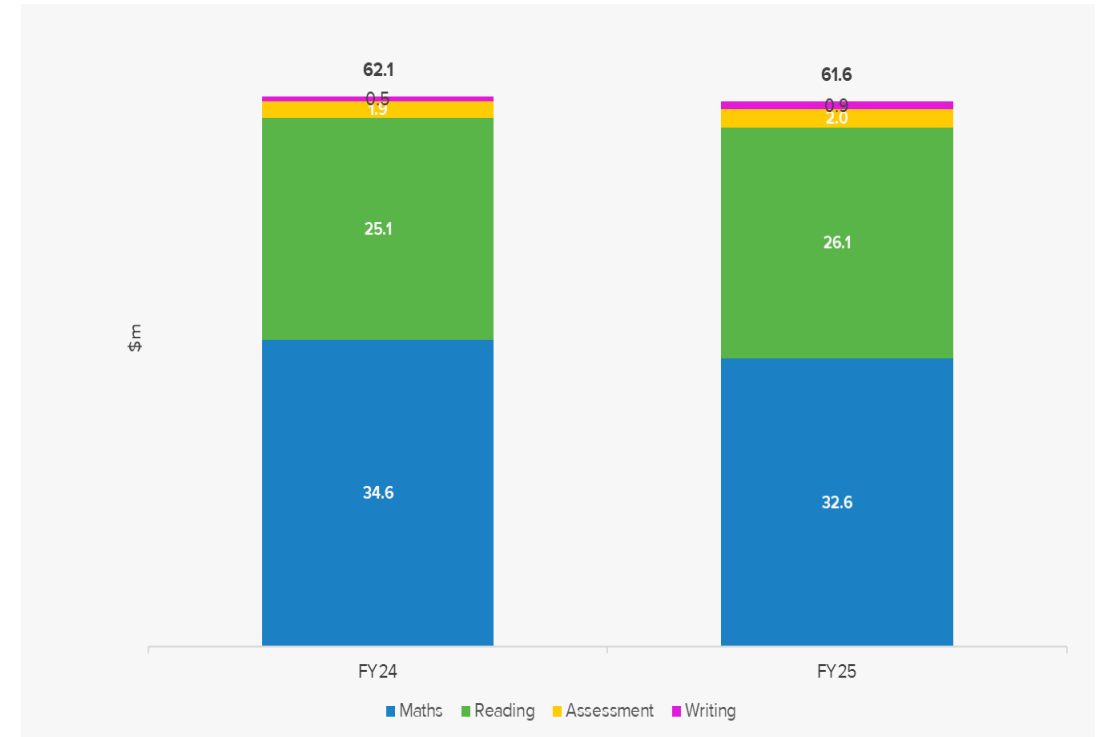
	FY25	FY24	+/-	% +/-
Closing ARR ¹ (\$m)	61.6	62.1	(0.5)	(1%)
Licences ² (m)	4.7	4.8	(0.1)	(2%)
Exit ARPU ³ (\$)	13.2	12.9	0.2	2%

- Closing ARR¹ was \$61.6m, 1% lower than 30 June 2024.
- In APAC we launched 3 Essentials in Q1
Acquired LiteracyPlanet in Jan 2025.
- EMEA region launched 3 Essentials in Q4
- In AMER, we are now in our second year of direct distribution of Reading Eggs to US Schools with substantially improved pipeline, contribution margin and retention rates.

1. Includes acquired ARR of \$2.2m from LiteracyPlanet acquired on 3 January 2025 and excludes Copyright Agency Limited and professional development.
2. Includes 125k licences acquired from LiteracyPlanet on 3 January 2025.
3. Exit ARPU calculated as ARR divided by number of licences.

Performance in the Schools Market

The graph below shows school ARR trajectory for FY24 (Jun-24) and FY25 (Jun-25).



- 3 Essentials combines our evidence-based programs for reading, writing and maths into an integrated solution with SSO, simpler navigation, easy class management and consolidated reporting.
- Package price represents best value to schools with simplified bundle pricing rolled out.
- Launched in Q1 FY25 in APAC.
So far 450 schools have converted at \$2.1m in billings, at an average growth in value of 60%.
- EMEA launch in Q4 FY25, with 50 schools subscribed so far.
- Expect greater impact in FY26.



3 Essentials

Reading Eggs, Writing Legends, Mathletics + Mathseeds

3P Learning DASHBOARD
Welcome back, Katy [NEW DASHBOARD SUPPORT](#) Leichhardt Public School K

Go to:

- Reading Eggs**
Reading Eggs makes learning to read fun with a proven program aligned to the Science of Reading.
- Mathseeds**
Mathematics
Builds essential early maths skills and promotes a positive attitude towards maths.
- Mathletics**
Mathematics
Boosts student engagement and achieve better maths results.

Discover your **complete solution** for literacy and numeracy

Access our engaging, evidence-based programs for whole-school mastery in reading and math: **Reading Eggs**, **Mathseeds** and **Mathletics** – with one convenient login.

3P Learning Manage your classes from one place and view reports across all three platforms.

[Get a quote or schedule a demo](#) →

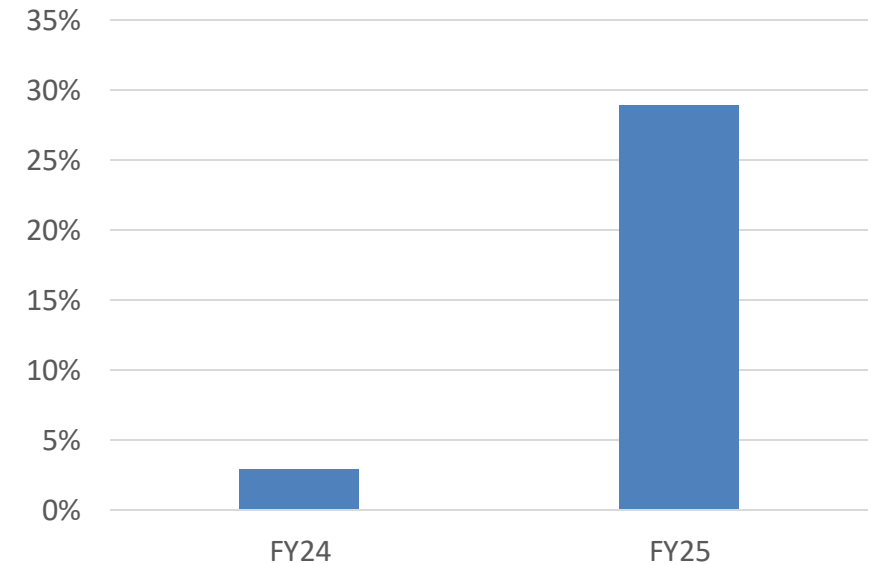
AMER Update

- In April 2024 we bought back the US Schools distribution rights for Reading Eggs from Edmentum for A\$20m.

Update :

- We retained 76% of billings for the 4,300 schools we transitioned from Edmentum in the first renewal season. This was lower than the 80% we expected.
- Improved retention rates in current renewal season
- Contribution margin¹ for the region improved from 3% to 29% as our direct team has much lower cost than previous commission fees.
- We delivered good renewal rates in Canada.
- Key product development initiatives complete, focused on integrations, reporting, and Teacher UX.

AMER Contribution Margin



1. Contribution margin is calculated as: revenue minus direct Sales & Marketing expense, platform commission costs and hosting & infrastructure costs.

Our Strategy

Our company purpose is “**Better Ways to Learn**”, focused on the fundamental skills for academic success – Reading, Writing and Maths (the 3Rs).

B2B

Reading



- Reading Eggs
- Reading Eggspress
- Fast Phonics
- The Library
- Reading Journal
- WordFlyers
- Literacy Planet

Maths



- Mathletics
- Mathseeds
- Mathseeds Prime

Writing



- Writing Legends + Grammar

Assessment & Reporting



- Brightpath Progress Writing
- Brightpath Progress Maths

- Add standalone Professional Development for each product vertical

Markets (AMER, EMEA, APAC)



B2C

Reading



- Reading Eggs
- Reading Eggspress
- Fast Phonics
- The Library
- Reading Journal
- WordFlyers
- Literacy Planet

Maths



- Mathletics
- Mathseeds
- Mathseeds Prime

Writing



- Writing Legends + Grammar

- Add Premium Paid Service offering

Markets (AMER, EMEA, APAC)



B2C key drivers for growth

**Homeschool
Market
expansion**

- Launched Reading Eggs Homeschool max, a premium subscription offers 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.

**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.

**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.



B2B key drivers for growth

**Revenue growth through 3 Essentials**

- Prioritise selling complete solution for reading, writing and maths to schools in APAC and EMEA.
- Simplify our pricing and product bundling to make it easier for our sales teams to sell and customers to see the value of our offer.
- Launch new reporting and teacher guided features to improve cross-program usage and interaction.

**USA market expansion**








- Expand our US based sales team to maximise growth, with a focus on small and medium districts.
- Roll out product improvements and integrations for the US market, including district dashboards and reporting.
- Consolidate and expand market position of Reading Eggs targeting demand for Science Of Reading and focus on bundled offers with Mathseeds and Mathletics.

**Customer retention - improved profitability and efficiency**

- Roll out simplifications to renewal process, including AI driven automations and quote-to-sale process.
- Enhance product usage and engagement with clear product “ROI” and upgraded onboarding.
- Improve in-product marketing to highlight features and ease of use for teachers.



Product Releases and Improvements

	Achieved in FY25	What's coming in FY26
	90% of customers migrated. Subscription usage data for admins delivered. Cross-program reporting implemented Long-awaited reading program controls delivered.	Proving ROI to schools. Improved Onboarding Wonde Integration, NSW DOE SSO, plus others. WCAG2.1 compliance.
	Map 13 new lessons. Initial milestone in WACG compliance. District reporting. APAC and AMER school-level curriculum reporting. Program Access Controls Homeschool Max	Reading Eggspress program revitalisation. B2B Family Dashboard and personalised onboarding Quiz only books Reading Eggs Map 14 Growth reporting
	APAC: New Courses Units, Algebra Years 3-6. Learnosity replacement completed. Teacher dashboard and reporting updates. District Reporting: Reporting to Standards. Read aloud transcription	US Courses for top CA and Focus 15 states New Assessment area Assign and Review Live Mathletics refresh Activity courses rebuild.
	Quests and Assignments Maps up to 16 AI feedback for writing POC. 750 EWIs live.	Maps 17 & 18 Long Writes: Persuasive essay writing
	EMEA: Writing assessment. Handwriting recognition and Assisted Marking improvements	Year 1 Maths Test NSW DOE SSO Curriculum Reporting to standards. WCAG2.1 compliance.
	3 Essentials SSO & rostering Cross-program reporting US and Canada alignment	Growth reporting
	Rewards and Badges	Phonics Screener Incorporate content from sunsetted WordFlyers: focusing on more Upper Primary and High School content.



CFO: Results & Cash Flow

Adam McArthur

P&L Key Drivers

Profit and Loss Statement \$m	FY25	FY24	+/-	%+/-
Revenue				
B2B	65.5	66.9	(1.4)	(2%)
B2C	43.4	43.1	0.3	1%
Other income	0.2	0.0	0.2	nm
Total revenue	109.1	110.0	(0.9)	(1%)
Cost of Revenue	(6.0)	(5.5)	(0.5)	(9%)
Gross Profit	103.1	104.5	(1.4)	(1%)
Gross margin (%)	95%	95%		
Expenses				
Sales & Marketing	(50.0)	(54.8)	4.8	9%
Product & Technology	(25.8)	(26.4)	0.6	2%
General & Admin	(11.8)	(11.3)	(0.5)	(4%)
Total Expenses	(87.6)	(92.5)	4.9	5%
Underlying EBITDA¹	15.5	12.0	3.5	30%
<i>EBITDA margin (%)</i>	14%	11%		
Depreciation & Amortisation	(4.6)	(3.5)	(1.1)	(31%)
Net interest income	(0.3)	0.4	(0.7)	(175%)
Unrealised foreign currency gain/(loss)	(1.3)	(0.4)	(0.9)	(225%)
Underlying Net Profit Before Tax	9.3	8.5	0.8	9%
Underlying Income Tax benefit/(expense)	(0.8)	3.3	(4.1)	(124%)
Underlying Net Profit After Tax	8.5	11.8	(3.3)	(28%)
Deferred contract costs - buy back of distributor rights ²	(1.0)	-	(1.0)	(100%)
PPA D&A	(6.0)	(7.4)	1.4	19%
Pro-forma expense - other (after tax)	(1.5)	(2.5)	1.0	40%
Gain on bargain purchase	0.2	-	0.2	100%
Rights (after tax) ³	-	(14.4)	14.4	100%
Goodwill impairment expense	-	(44.5)	44.5	100%
Statutory Net (Loss)/Profit After Tax	0.2	(57.0)	57.2	100%

- B2B revenue decreased by \$1.4m against pcp due to declining licence numbers, primarily impacted by the transition from Edmentum in the USA.
- B2C revenue increased by \$0.3m against pcp due to growth in Reading Eggs and Mathseeds billings on Google platforms.
- Underlying EBITDA of \$15.5m, up 30% on pcp, reflecting the impact of the \$5.0m cost out initiative in May 2024 and cost efficiencies gained by direct selling to US schools.
- Proforma adjustments (after tax) include \$1.0m unwinding of legacy Edmentum Inc distributor costs as deferred contract costs - buy back of distributor rights³, \$6.0m D&A of acquired products for Blake, Brightpath and LiteracyPlanet, and other proforma expenses.

1. Underlying EBITDA represents earnings before interest, tax, depreciation and amortisation, excluding unrealised foreign exchange losses and gains, corporate advisory costs, restructure and integration costs, gain on bargain purchase, impairment losses, buy-back of distribution rights and deferred contract cost on buy-back of distributor rights arising prior to the buy-back in the previous financial year.
2. Refer to the Review of operations in directors' report for detailed information.
3. US schools Distribution Rights for Reading Eggs ("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 full during the prior comparative period.

\$m	FY25	FY24	+/-	% +/-
Gross Billings ¹	42.9	43.3	(0.4)	(1%)
Licences ² (k)	276.0	290.0	(14.0)	(5%)
ARPU ³ (\$)	155.4	149.3	6.1	4%

\$m	FY25	FY24	+/-	% +/-
Gross Billings ¹	42.9	43.3	(0.4)	(1%)
Commissions Deducted	(5.1)	(5.2)	0.1	2%
Net Billings ⁴	37.8	38.1	(0.3)	(1%)
Sales & Marketing Costs (excl. commissions)	(17.9)	(18.1)	0.2	1%
Net Billings Contribution	19.9	20.0	(0.1)	(0.5%)
Net Billings Contribution Margin (%)	53%	52%		

- Gross billings was \$42.9m, flat on FY24 representing tougher economic conditions.
- B2C ARPU growth 4% pcp and net billings contribution margin improved to 53% on pcp.

1. Gross billings are reported before any commissions are deducted by Apple or Google and exclude Workbooks.
2. B2C licences reflects the number of parent subscribers using 3P Learning products.
3. ARPU is calculated as gross billings divided by the number of licences.
4. Net billings are reported after any commissions are deducted by Apple or Google and exclude Workbooks.
5. Revenue includes revenue and other income.
6. Includes direct Sales & Marketing expense, amortised platform commission costs and hosting & infrastructure costs.

B2C Performance Metrics

\$m	FY25	FY24	+/-	% +/-
Revenue ⁵	43.4	43.1	0.3	1%
Expenses				
Sales, Marketing & Cost of Revenue ⁶	(25.0)	(24.5)	(0.5)	(2%)
Contribution Margin	18.4	18.6	(0.2)	(1%)
Contribution margin (%)	42%	43%		

- B2C Revenue has grown \$0.3m on pcp.
- Contribution margin remains strong at 42%.
- Contribution margin is calculated after direct sales & marketing cost, commissions paid to Apple & Google, and hosting infrastructure expenses.

B2B Performance Metrics

\$m	FY24	FY25
Opening ARR	65.4	62.1
Acquired business ¹	-	2.2
New business	5.5	5.4
Net upsell/downsell	2.3	1.7
Net churn	(10.7)	(11.2)
FX impact	(0.4)	1.4
Closing ARR¹	62.1	61.6
<i>Movement % period on period</i>		(1%)
<i>Churn %</i>	(16%)	(18%)
Exit ARPU ² (\$)	12.9	13.2

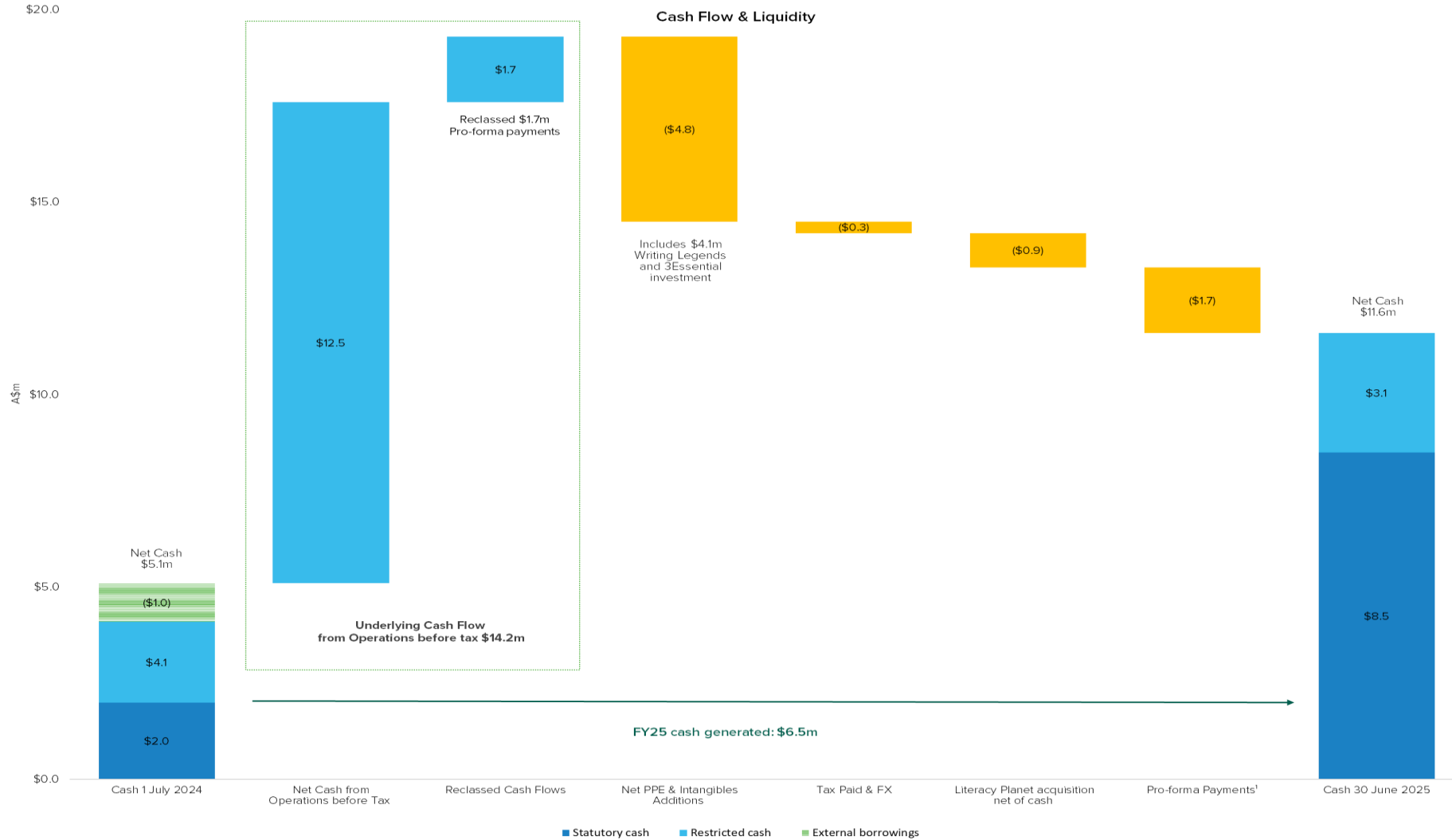
- Closing ARR includes the LiteracyPlanet acquisition.
- Early signs from 3E are positive, however impact will flow through in FY26 numbers and beyond.

\$m	FY25	FY24	+/-	% +/-
Revenue ³	65.5	66.9	(1.4)	(2%)
Expenses				
Sales, Marketing & Cost of Revenue ⁴	(30.9)	(35.8)	4.9	14%
Contribution Margin	34.6	31.1	3.5	11%
<i>Contribution margin (%)</i>	53%	46%		
Licences ⁵ (m)	4.7	4.8	(0.2)	(2%)
Annual Recurring Revenue (\$m)	61.6	62.1	(0.5)	(1%)
Exit ARPU (\$)	13.2	12.9	0.2	2%

- B2B Revenue was \$65.5m, declined 2% on pcp, mainly due to the transition from Edmentum in the USA.
- Contribution margin has improved by 7% due to cost efficiencies gained by direct selling to US schools and operational improvements.
- Exit ARPU increased to \$13.2, up 2%, from \$12.9 in pcp, due to inclusion of LiteracyPlanet and careful management of renewal pricing.

1. Includes acquired ARR of \$2.2m from LiteracyPlanet acquired on 3 January 2025.
2. Exit ARPU is calculated as ARR divided by the number of licences.
3. Revenue includes revenue and other income.
4. Includes direct Sales & Marketing expense, platform commission costs and hosting & infrastructure costs.
5. Includes 125k licences acquired from LiteracyPlanet on 3 January 2025.

Cash Bridge



- Underlying Cash Flow from Operations before tax was \$14.2m.
- Net PPE & intangibles addition of \$4.8m.
- Acquisition of Literacy Planet – net of cash payment \$0.9m.
- Closing net cash² of \$11.6m at 30 June 2025, up \$6.5m from prior year.
- No external borrowings.

1. Pro-forma includes payments for corporate advisory, restructure and integration costs.
 2. Net cash is calculated as: cash and cash equivalents \$8.5m *plus* restricted \$3.1m cash *minus* external borrowings, nil.



Outlook



Medium Term Outlook

Our focus for FY26 and beyond is profitable growth

- Increase school adoption of the 3 Essentials in APAC and EMEA
- Drive strong growth in AMER in school districts and homeschool markets
- Deliver productivity gains by simplifying our sales, marketing and business processes, using AI across the business, and maintaining cost discipline
- We expect a stronger cash position in FY26, which will allow us to review our dividend policy



Q&A





Appendices



Glossary

Term	Definition
ARR	Annual Recurring Revenue
Churn Percentage	Churn Percentage is calculated as a proportion of the opening School ARR in a rolling 12 or 6 month period (as relevant).
EBITDA	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 cost on buy-back of distributor rights arising prior to the buy-back in the previous financial year.
Exit Average Revenue per User (Exit ARPU)	Exit ARPU represents the closing ARR divided by the closing number of licences.
Licences	<p>B2B Licences reported reflect the number of individual students using 3P Learning products and excludes teacher or administrator users.</p> <p>B2C Licences reported reflect the number of parent-subscribers using 3P Learning products.</p>
Licence Revenue	Licence Revenue includes all statutory revenue recorded on the sale of online education products.
Net Churn	Net Churn represents the School ARR which was not renewed by a customer at the end of a subscription period, offset by the value of recovered subscriptions previously churned.
SSO	Single sign-on
PPA D&A	Purchase price allocation depreciation and amortisation
Prior comparison period (pcp)	Prior comparison period is 12 months to 30 June 2024.
Underlying	Underlying is a non-statutory measure and is the primary reporting measure used by the CEO and Board of Directors for assessing the performance of the business.



Thank You