



Investor & Analyst Briefing

Half year ended
31 December 2025

Presented:
24 February 2026 by
Chairman **Matthew Sandblom**
CEO **Jose Palmero**
CFO **Adam McArthur**

3P Learning Limited
ABN 50 103 827 836

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This document has been authorised for release by the Board of Directors.

Our Programs

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

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



Our 1H26 Results & Review

Matthew Sandblom



1H26 Results

Underlying¹ EBITDA

\$5.7m

-16%

vs pcp²



Total Revenue³

\$51.9m

-2%

vs pcp



B2C Revenue⁴

\$22.0m

+1%

vs pcp



B2B Revenue⁴

\$29.8m

-3%

vs pcp



UNDERLYING¹ CASH
FLOW USED IN
OPERATIONS
BEFORE TAX

\$1.8m

• \$7.5m net cash⁵



CUSTOMERS

4.9m

- B2B Licences 4.7m (-4% vs pcp)
- B2C Licences 266k (-5% vs pcp)



PRODUCT

\$11.2m

- \$10.2m Product development - expensed
- \$0.4m Writing Legends investment - capitalised
- \$0.6m Other products investment - capitalised



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 6 months to 31 December 2024.
3. Total Revenue includes revenue and other income.
4. B2C Revenue and B2B Revenue excludes other income.
5. Includes \$3.1m restricted cash.

Current position, business review

Better cash balance, revenue and profitability declined

- Recent operating trends reflect a challenge to restore revenue growth.
- Churn in our B2B business has consistently exceeded new sales.
- Over the past 2 – 3 years we have invested heavily in product to reduce churn, grow value of customers and participate more effectively in the USA market.
- These investments have not yet translated into sustainable growth.

Business review

- Our business remains cash-generative and resilient, but requires sharper focus, clearer priorities, and more disciplined execution.
- We are conducting a business review over the next few months, with a strong focus on where we can be a leader in the market, while delivering strong cash generation and a more profitable operating model.



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CEO Update

Jose Palmero



Where we are today

Solid financial position, but facing some fundamental challenges :

- Strong cash generation, no debt.
- In control of our IP and distribution across our key markets.
- B2C segment more resilient with clear opportunities in USA homeschool market, but some margin pressure evident.
- B2B churn exceeding new sales across all regions with this market structurally harder post-COVID with greater emphasis on reporting, integrations and student outcomes, and the impact of AI.
- Many of the major product development projects of the last few years are now completed, focus is on smaller, targeted projects to provide more immediate returns.



B2C Strategy - Status

FY26 Focus



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.



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.

Status

- Positive signs, large and growing market, supported by ESA funding.
- Good product fit.
- Successful initial pilot, we now need to determine the level of investment required to turn this into a significant opportunity.

- Part of our continuous product improvement initiatives to deliver incremental benefits.

- Important areas of focus to continue testing and learning more effectively.
- Staged investment to deliver profitable growth.



B2B Strategy - Status

FY26 Focus



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



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.

Status

- Some good early signs but not enough growth in selling bundles to offset churn at this stage.
- Schools still prefer individual tailored solutions to an integrated offer, which gives us an opportunity to adjust approach.

- In control of our destiny now, but still subscale.
- Exploring go-to-market options to improve sales effectiveness, market position and profitability, including partnering and strategic alliances.

- Churn still too high, more work needed on demonstrating value for schools.
- Focus spread across too many projects, capital and resource allocation priorities under review.
- Operational improvements underway.

Business Review – Next Steps

Business review will focus on these themes :

B2B unit economics, regional performance, churn reduction

B2C increase investment in growth opportunities

Continue to improve cash balance through careful cost management

CFO: Results & Current Position

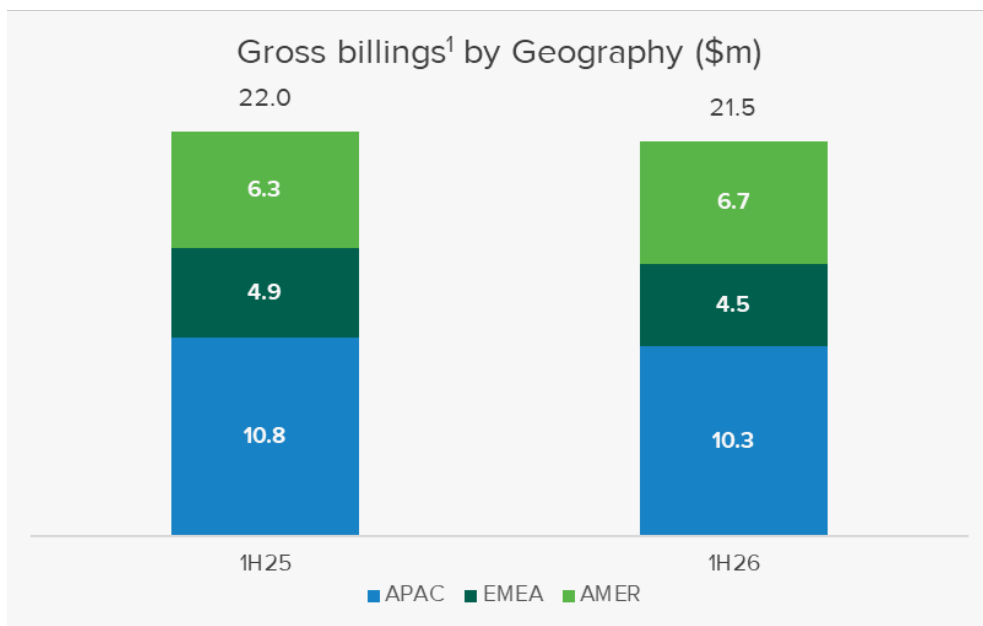
Adam McArthur



Summary of our 1H result:

- Revenue down in B2B, flat in B2C.
- Cost management initiatives from FY25 flowing through, costs steady.
- Lower capitalisation rate of product development (\$1.4m lower than pcg) has impacted EBITDA.
- Better cash position, despite revenue pressure.

B2C Performance Metrics



- Reading Eggs, Mathseeds, and Mathletics billings¹ were \$21.5m, down 2% on pcp.
- Strong performance in AMER (up 6% on pcp) primarily driven by ESA sales.

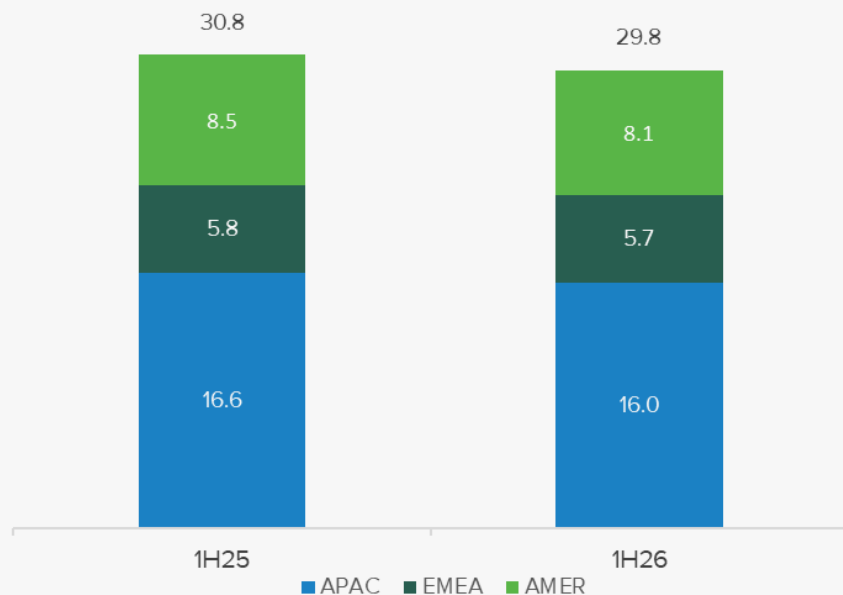
1. Gross billings are reported before any commissions are deducted by Apple or Google and exclude Workbooks.
 2. Includes direct sales & marketing expense, amortised platform commission costs and hosting & infrastructure costs.

\$m	1H26	1H25	+/-	%+/-
B2C Revenue	22.0	21.7	0.3	1%
Expenses				
Sales, Marketing & Cost of Revenue ²	(13.6)	(12.8)	(0.8)	(6%)
Contribution Margin	8.4	8.9	(0.5)	(6%)
Contribution margin (%)	38%	41%		

- B2C Revenue excluding other income has grown \$0.3m on pcp primarily driven by ESA sales in the US.
- Contribution margin was 38%, compared to 41% in pcp.
- Contribution margin is calculated after direct sales & marketing cost, commissions paid to Apple & Google, and hosting infrastructure expenses.

B2B Performance Metrics

B2B revenue by geography (\$m)



- Churn continues to be greater than our new business generated.
- Our bundling strategy in EMEA and APAC shows good signs, but it is not substantial enough yet to stop decline in revenue.
- In AMER, the school district approach takes time to convert the growing pipeline of deals.

\$m	1H26	1H25	+/-	% +/-
B2B Revenue	29.8	30.8	(0.9)	(3%)
Expenses				
Sales, Marketing & Cost of Revenue ¹	(14.7)	(15.1)	0.4	3%
Contribution Margin	15.1	15.7	(0.6)	(4%)
Contribution margin (%)	51%	51%		
Licences (m)	4.7	4.9	(0.2)	(4%)
Annual Recurring Revenue (\$m)	59.0	64.4	(5.4)	(8%)
Exit ARPU (\$)	12.7	13.3	(0.6)	(5%)

- B2B Revenue excludes other income was \$29.8m, declined 3% on pcp, mainly due to higher churn across all regions and less new business.
- Contribution margin was flat at 51%.
- Exit ARPU down to \$12.7 from \$13.3 in pcp, due to offering Mathletics customers Mathseeds licences for younger years to assist with bundling strategy and retention.

1. Includes direct sales & marketing expense, platform commission costs and hosting & infrastructure costs.

Profit and Loss

Profit and Loss Statement				
\$m	1H26	1H25	+/-	%+/-
Revenue				
B2B	29.8	30.8	(1.0)	(3%)
B2C	22.0	21.7	0.3	1%
Other income	0.1	0.2	(0.1)	(50%)
Total revenue	51.9	52.7	(0.8)	(2%)
Cost of Revenue	(2.7)	(2.6)	(0.1)	4%
Gross Profit	49.2	50.1	(0.9)	(2%)
Gross margin (%)	95%	95%		
Expenses				
Sales & Marketing	(25.6)	(25.3)	(0.3)	(1%)
Product & Technology	(10.2)	(12.4)	2.2	18%
General & Admin	(7.7)	(5.6)	(2.1)	(38%)
Total Expenses	(43.5)	(43.3)	(0.2)	nm³
Underlying EBITDA¹	5.7	6.8	(1.1)	(16%)
<i>EBITDA margin (%)</i>	11%	13%		
Depreciation & Amortisation	(2.9)	(2.3)	(0.6)	(26%)
Net interest expense	(0.1)	(0.2)	0.1	50%
Unrealised foreign currency gain/(loss)	0.5	(1.2)	1.7	142%
Underlying Net Profit Before Tax	3.2	3.1	0.1	3%
Underlying Income Tax benefit/(expense)	0.5	0.5	-	-
Underlying Net Profit After Tax	3.7	3.6	0.1	3%
Deferred contract costs - buy back of distributor rights ²	(0.2)	(0.7)	0.5	71%
PPA D&A	(3.1)	(2.9)	(0.2)	(7%)
Pro-forma expense - other (after tax)	-	(0.7)	0.7	100%
Statutory Net Profit/(Loss) After Tax	0.4	(0.7)	1.1	157%

- B2B revenue decreased by \$1.0m against pcg due to higher churn across all regions, and challenge securing new business.
- B2C revenue increased by \$0.3m against pcg driven by growth of sales through ESA programs in the USA homeschool market.
- Total expenses were steady at \$43.5m, with reallocation of software licences (\$1.5m) and other shared costs were moved from Product and Technology to G&A. Capitalised P&T allocation was \$1.4m lower than pcg, impacting EBITDA.
- Underlying EBITDA was \$5.7m, down \$1.1m on pcg.
- Proforma adjustments (after tax) include \$0.2m unwinding of legacy Edmentum Inc distributor costs as deferred contract costs - buy back of distributor rights³, \$3.1m D&A of acquired products for Blake, Brightpath and LiteracyPlanet, and other proforma expenses.

- 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 distribution rights and deferred contract cost on buy-back of distributor rights arising prior to the buy-back in the previous financial year.
- Refer to the Review of operations in directors' report for detailed information.
- nm: not meaningful.

Cash Bridge

Cash Flow & Liquidity



- Underlying Cash Flow used in Operations before tax was \$1.8m.
- Net PPE & intangibles addition of \$1.2m.
- Closing net cash² of \$7.5m at 31 December 2025. (1H25 net cash \$1.9m)
- No external borrowings.
- Cash generation in 2H will be substantially higher

1. Pro-forma includes payments for corporate advisory, restructure and integration costs.
 2. Net cash is calculated as: cash and cash equivalents \$4.4m *plus* restricted \$3.1m cash *minus* external borrowings, nil.



Outlook



Full Year FY26 Guidance

Expected improved cash, similar EBITDA, but some decline in revenue,

- We expect higher EBITDA and cash generation in 2H, in line with the seasonality of our business.
- With the improved cash position, we will undertake shareholder focused capital management, including the intention to assess a dividend with the full year results in accordance with our dividend policy.
- We provide guidance for the full year FY26 results in the following ranges.

UNDERLYING¹ EBITDA

\$13m – 15m

vs FY25 : \$15.5m



REVENUE²

\$105m – 107m

vs FY25 : \$109.1m



NET CASH³

\$16m – 18m

vs FY25 : \$11.6m



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. Revenue includes revenue and other income.
3. Net cash is calculated as: cash and cash equivalents includes restricted of \$3.1m cash minus external borrowings (forecast to be nil at 30 June 2026).

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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, 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	B2B Licences reported reflect the number of individual students using 3P Learning products and excludes teacher or administrator users. B2C Licences reported reflect the number of parent-subscribers using 3P Learning products.
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 6 months to 31 December 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