3P Learning

Investor & Analyst Presentation

FY18 H1 Results
For the six months ended
31 December 2017

15th February 2018

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Agenda

1. Overview
2. Strategic Priorities Update
3. FY18 H1 Financial Results
4. FY18 Outlook
5. Q&A
6. Appendices

1 Overview

FY18 H1 Results Highlights

$M	FY18 H1	FY17 H1	Mvmt	Growth
Revenue	**28.3**	**25.1**	**3.2**	**13%**
APAC	17.8	15.7	2.1	13%
EMEA	6.5	6.0	0.5	8%
Americas	4.0	3.4	0.6	18%
	28.3	25.1	3.2	13%
Mathletics	20.6	18.9	1.7	9%
Reading Eggs	5.9	4.4	1.5	34%
Spellodrome	1.0	1.1	(0.1)	(9%)
Into Science	0.3	0.4	(0.1)	(25%)
Other	0.5	0.3	0.2	67%
	28.3	25.1	3.2	13%
Expenses	**(18.3)**	**(16.8)**	**(1.5)**	**9%**
Underlying EBITDA*	**10.0**	**8.3**	**1.7**	**20%**
Share of Associate's Profit **	0.3	0.2	0.1	50%
Underlying Core EBITDA*	**10.3**	**8.5**	**1.8**	**21%**
EBITDA margin (%)	36%	34%	2%	
Underlying NPAT	**4.8**	**3.8**	**1.0**	**26%**
Other one-off costs (after tax)***	-	(12.6)	12.6	100%
Statutory NPAT	**4.8**	**(8.8)**	**13.6**	**155%**

* FY18 H1 includes $0.3M of Share based payments expenses which is equity settled. (FY17 H1 $0.2M)
** Share of associate profit is Learnosity contribution based on 40.00% share of NPAT.
*** Adjustments made for significant one-off, non-recurring items for comparative purposes

- Group Revenue grew by 13%. APAC 13%, EMEA 8% and Americas 18% (EMEA grew 9% and Americas 23% on a constant currency basis)
- Underlying Core EBITDA grew by 21%, with all regions expanding EBITDA, reflecting our continued action to reduce cost and the benefits of developing a more scalable and efficient global operating model
- Licence growth impacted by our focus on more profitable bundling especially in Americas. All regions saw ARPU improvements
- FTE remained flat over the reporting period. (FTE 258).
- Net Debt $16.5M. No term debt expected at end of FY18.
- Underlying NPAT up 26% year on year

Strategic Priorities Update

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3 Year Strategic Priorities

- We have completed year 1 of our 3 year strategic plan. We have completed the globalisation of our operating model and delivered significant opex savings to support investment in growth and improve operational effectiveness.
- In FY18 we will continue to strengthen the product portfolio around maths and literacy and complete the implementation of our scalable digitised sales, service and marketing model, positioning us for growth.
- Growth will be driven by customer, product and geographic expansion as well as improved retention.

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

2018 Position 3P for Profitable Growth
Complete implementation of an automated digital sales, service and marketing platform.

2019 Accelerate Growth
Leveraging a scalable platform, accelerate growth through product, customer and geographic expansion as well as improved retention.

Culture and Talent
Underpinned by a high performance and "great place to work" culture

Mathletics

Spellodrome

readiwriter

ABC Reading eggs

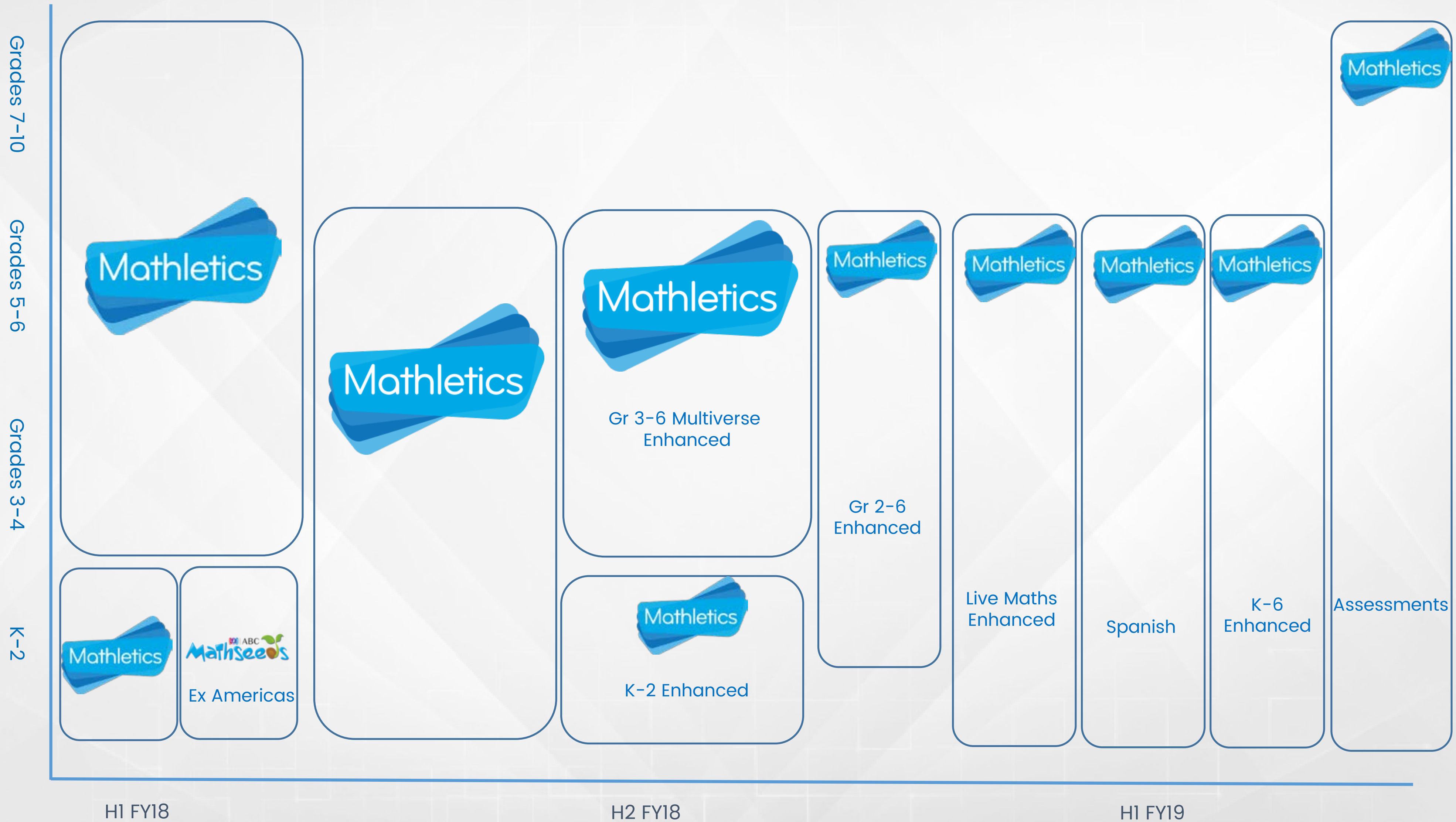
ABC Mathseeds

Strategic Priority #1 - Strengthen the Product Portfolio with a focus on Maths and Literacy

Goal	Strategy	Progress
Revitalize flagship Mathletics Brand	▪ Refresh the customer experience and ensure it is well targeted to its distinct audiences	▪ Multiverse launched for core grades 3-6 ▪ K-2 enhanced offering launched focusing on numbers, addition and subtraction ▪ Spanish Mathletics on track for Q1FY19 launch ▪ Secondary enhancements being scoped for launch H1FY19 ▪ Upsell assessment products in design phase for launch H1FY19
Build our own Literacy brand	▪ Develop our own Literacy brand in markets we don't serve with Reading Eggs	▪ Readiwriter Phonics on track for Q4FY18 launch ▪ Readiwriter Writing Junior on track for H1FY19
Develop and Leverage a Scalable Digital Publishing Platform	▪ Create a scalable digital publishing platform that is interdisciplinary and able to rapidly develop products to serve international markets, pedagogy and curriculum.	▪ Content to curriculum mapping and aggregator tool in development ▪ Media library warehouse and builder underway

Evolution of Maths Category

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



Evolution of Literacy Category

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

Strategic Priority #2 - Develop a Scalable Sales, Service & Marketing Model

Goal	Strategy	Progress
Digitise and automate our go to market model	• Develop an integrated and automated digital sales, service and marketing channel	▪ Marketing Cloud Evo 1 APAC and Americas launched H1FY18, EMEA to be launched Q4FY18 ▪ Service Cloud largely implemented across all regions. Full implementation expected by end FY18 ▪ Commenced scoping of an integrated e-commerce solution with subscription billing capability. Expected launch H1FY19
Develop the product portfolio to support personalised offerings through our digital channel	• Develop a digital B2C and B2B product portfolio where the product can personalise and present a "next best offer" digitally	▪ Data and analytics project commenced to test automated personalised learning paths ▪ Integration of marketing cloud and products to perform in-product remarketing
Develop variable cost channel to pursue select geo expansion	• Appoint variable cost 3rd party channel partners to complement our teleweb go to market model	▪ Partner Portal Evo 1 launched in all regions ▪ Over 15 variable cost 3rd party partners now established with a focus on SE Asia, India, Latin America, Africa and Middle East

Accelerating growth

Goal	Strategy	Progress
Product Line Expansion	▪ Leverage our installed base and drive up-sell and cross-sell sales	▪ Readiwriter Phonics – expected launch H2FY18 ▪ Readiwriter Writing Junior – expected launch H2FY18 ▪ Upsell assessment products in design phase for launch Q2FY19 ▪ Standalone product within Mathletics sets e.g. rainforest maths, live maths. Expected launch H1FY19
Customer Segment Expansion	▪ Grow from our core 3-6 segment by improving the way we address the 4 distinct audiences that make up K-12	▪ K-2 packs – expected launch Q3FY18 ▪ Secondary enhancements being scoped for FY19
Geographic Expansion	▪ Leverage existing products and localise into foreign language	▪ Spanish for Latin America and select USA states on track for H1FY19. Distribution partners in place
Improved Customer Retention	▪ Improve customer retention through improved product, buying and service experience	• Marketing Cloud implementation and ongoing enhancements • Service Cloud implementation • Integrated E commerce solution underway • Data and analytics increasingly used to predict and address customer need across their journey

Culture and Talent

Building a High Performance and Great Place to Work Culture

- Participates in global survey (A Great Place to Work - GPTW) to ensure we benchmark our employee experience externally
- Based on GPTW results we have developed a multi faceted People and Culture Plan with Executive Ownership
- Global Benefits Review to ensure best practice and market competitiveness
- Every 3P team member now has part of their remuneration linked to company performance

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FY18 H1 Financial Results

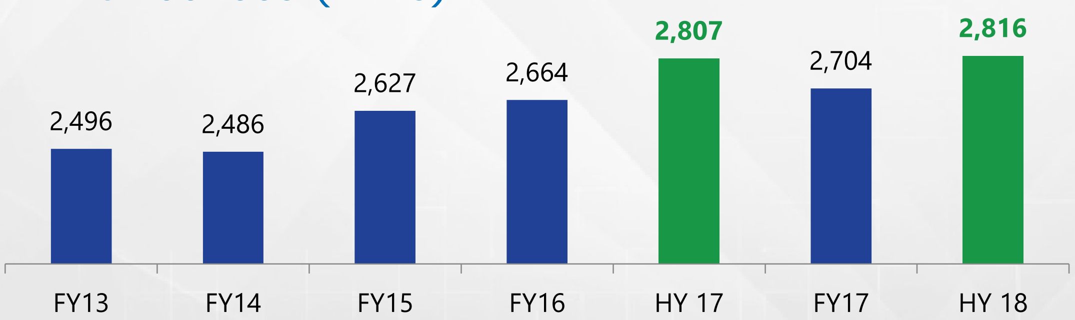
APAC – Expanding market

APAC Financials

$M	FY18 H1	FY17 H1	Mvmt	Growth
Licence revenue	17.6	15.5	2.1	14%
Copyright fees, sponsorships and other	0.2	0.2	-	0%
Total revenue	17.8	15.7	2.1	13%
Costs	(3.9)	(4.2)	0.3	(7%)
EBITDA before corporate overheads*	13.9	11.5	2.4	21%
EBITDA margin (%)	*78%*	*73%*		
Licences at period end (000s)**	2,816	2,807	9	0%
ARPU ($)	$10.84	$10.75	$0.09	1%
Full Time Equivalent (number)	55	60	(5)	(8%)

* Refer to appendices for reconciliation to Statutory EBITDA
** Excludes Into Science licences of 46,000 (FY17 H1: 68,000)

APAC licences (000s)



Key Points

- Licence revenue growth of 14% benefited by rephasing of ANZ billings $1.2M. Underlying revenue growth of 6%.
- Cost of acquiring and servicing customers improved by 7%, with renewal automation and scalable sales initiatives
- EBITDA growth of 21% or 10% underlying.
- Retention was steady and ARPU increased 1% or 3% underlying excluding rephasing. This coupled with reduced cost of servicing results significant improvement in the Life Time Value (LTV) of customers

Focus & Outlook

- Focus on growing market share with improved and broader product portfolio
- 5 Asian resellers appointed, expanding geographic reach. Further partnerships being targeted
- Focus on onboarding and making new partners successful
- Expand revenue per customer with product line expansion

EMEA – Growing margin and market share

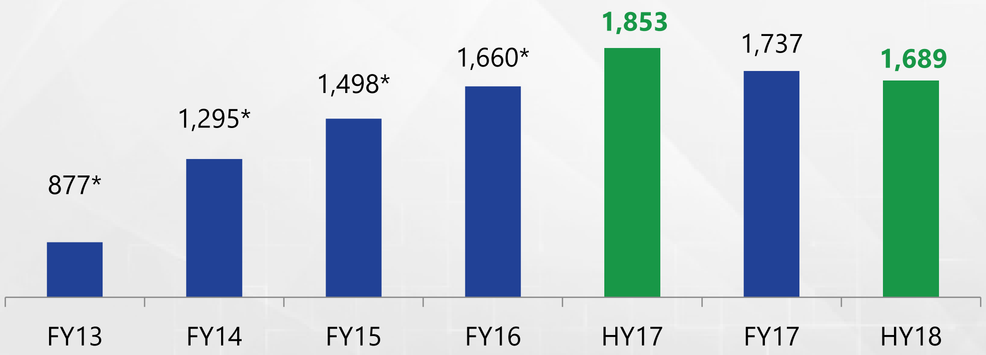
EMEA Financials

£M	FY18 H1	FY17 H1	Mvmt	Growth
Revenue	3.8	3.5	0.3	9%
Costs	(1.6)	(1.5)	(0.1)	7%
EBITDA	2.2	2.0	0.2	10%
EBITDA margin (%)	*58%*	*57%*		1%
ARPU (£)	£4.39	£3.83	£0.56	15%

AU$M	FY18 H1	FY17 H1	Mvmt	Growth
Revenue	6.5	6.0	0.5	8%
Costs	(2.7)	(2.4)	(0.3)	13%
EBITDA	3.8	3.6	0.2	6%
EBITDA margin (%)	*58%*	*60%*		(3%)
ARPU ($)	$7.60	$6.77	$0.83	12%
Licences at period end (000s)*	1,689	1,853	(164)	(9%)
Full Time Equivalent (number)	60	61	(1)	(13%)

* Excludes Into Science licences of 2,000 (FY17 H1: 9,000)

EMEA licences (000s)



** Adjusted for 185K Middle East licences for comparative purposes

Key Points

- Revenue growth of 9% in GBP
- Costs excluding FX declined by £0.2M, comparative period benefited by FX movements (FY17H1 gain of £0.3M)
- EBITDA growth of 10% as scalable SaaS model matures and cost to service improve
- Retention rates were steady with improved ARPU driving increased Life Time Value (LTV) of customers
- ARPU increased 12% with impact of price increases and removal of low ARPU Middle East legacy contract last year
- Difficult market conditions impacted licences in the UK. Real government spending cuts impacting schools coupled with increased competition.

Focus & Outlook

- New Middle East resellers appointed with further partnerships in Africa being targeted
- Middle East in a challenging period with economic and political changes delaying purchasing commitments
- Expand revenue per customer with product line expansion
- Spending cuts in the UK and increased competition leading to potential pricing pressure and lower take up

Americas – Efficient and scalable sales model

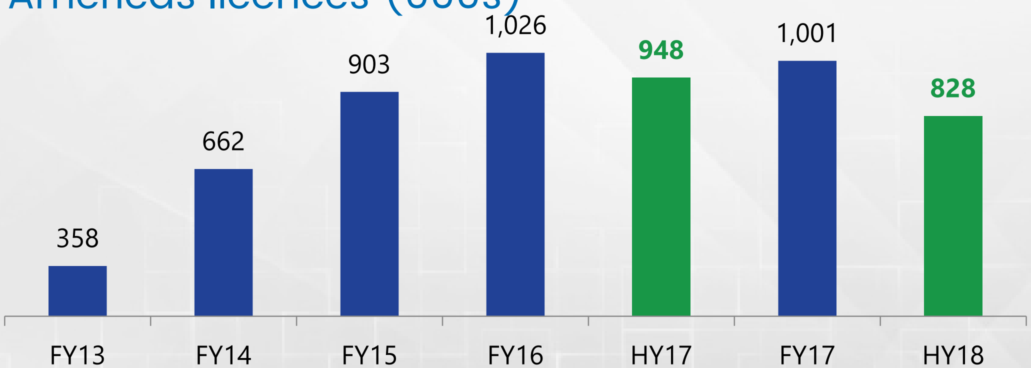
Americas Financials

US$M	FY18 H1	FY17 H1	Mvmt	Growth
Licence revenue	3.0	2.5	0.5	20%
Other income	0.2	0.1	0.1	100%
Total revenue	3.2	2.6	0.6	23%
Costs	(2.8)	(2.8)	-	0%
EBITDA	0.4	(0.2)	0.6	NM
EBITDA margin (%)	13%	(8%)		NM
ARPU (US$)	$6.92	$4.82	$2.10	44%

AU$M	FY18 H1	FY17 H1	Mvmt	Growth
Licence revenue	3.7	3.3	0.4	12%
Other income	0.3	0.1	0.2	200%
Total revenue	4.0	3.4	0.6	18%
Costs	(3.5)	(3.7)	0.2	-5%
EBITDA	0.5	(0.3)	0.8	NM
EBITDA margin (%)	13%	(9%)		NM
ARPU (AU$)	$8.90	$6.46	$2.44	38%
Licences at period end (000s)*	828	948	(120)	(13%)
Full Time Equivalent (number)	41	48	(7)	(14%)

* Excludes Into Science licences of 13,000 (FY17 H1: 12,000)

Americas licences (000s)



Key Points

- Revenue growth of 20%
- EBITDA now making a contribution of $0.4M in FY18 H1
- Licence numbers impacted as whole school bundles unwound and focus on better ARPU and value. ARPU has improved 44% to $6.92 at 31 December 2017
- Costs have been contained through a reduction in headcount from 48 as at 31 December 2016 to 41 as we transition to a scalable sales model

Focus & Outlook

- Focus on growing market share with improved and broader product portfolio
- Focus on expanding sales into Major District panels where we are now positioned
- Appoint Partners in Latin America (Tier 1 countries - Chile, Brazil, Argentina, Colombia and Mexico) to drive penetration into new geographic opportunities coupled with Spanish Mathletics due for FY19 launch

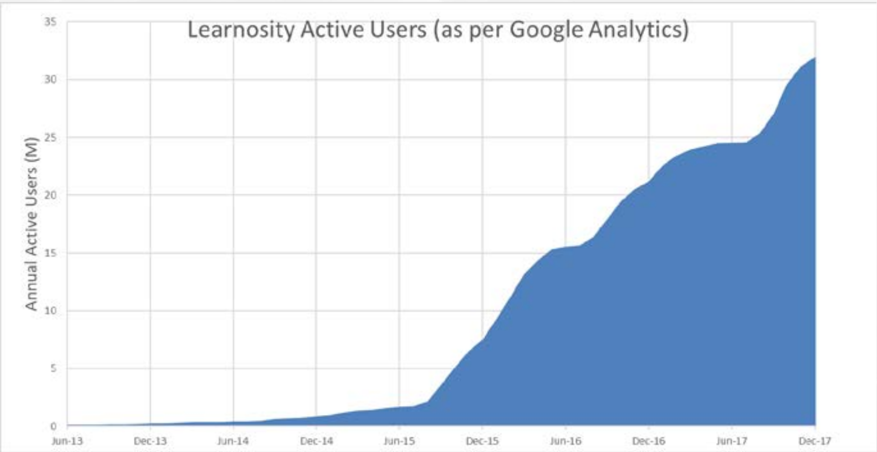
Learnosity

Learnosity Financials

US$	FY18 H1	FY17 H1	Mvmt	Growth
Revenue	7.0	5.9	1.1	19%
EBITDA**	0.9	0.4	0.5	125%
EBITDA %	13%	7%		6%
NPAT	0.5	0.4	0.1	25%

A$M	FY18 H1	FY17 H1	Mvmt	Growth
Revenue	9.0	7.8	1.2	15%
EBITDA**	1.2	0.6	0.6	100%
EBITDA %	13%	8%		6%
NPAT	0.6	0.5	0.1	20%
3P Share of profit *	0.3	0.2	0.1	50%

* Share of associate profit is Learnosity contribution based on 40% share of NPAT.
** Adjusted for non cash share based payments of US$0.6m



Active users increased to ~32 million between Dec 2017 and June 2017 as customers implement Learnosity Assessments

Key Points

- Revenue growth of 19% to US$7.0M reflecting growing global demand for online assessment. Strong growth in blue chip customer numbers
  https://www.learnosity.com/clients/
- Underlying NPAT of US$0.5M up on prior year US $0.4M
- A$0.3M contribution to the Group's Underlying Core EBITDA

Focus & Outlook

- As a product and service provider, Learnosity will continue to be an integral part of 3P products with long term contracts in place
- As an investor, 3P is actively considering its options in relation to its investment in Learnosity given our re-focused strategic priorities

FY18 H1– Income Statement

$M	FY18 H1	FY17 H1	Mvmt	Growth
Total Revenue	**28.3**	**25.1**	**3.2**	**13%**
Employee	(12.6)	(11.7)	(0.9)	8%
Marketing	(1.1)	(0.8)	(0.3)	38%
Technology and occupancy	(2.8)	(2.6)	(0.2)	8%
Other	(1.8)	(1.7)	(0.1)	6%
Expenses	**(18.3)**	**(16.8)**	**(1.5)**	**9%**
Underlying EBITDA	**10.0**	**8.3**	**1.7**	**20%**
Share of Associate's Profit**	0.3	0.2	0.1	50%
Underlying Core EBITDA*	**10.3**	**8.5**	**1.8**	**21%**
EBITDA margin (%)	*36%*	*34%*		
Depreciation & amortisation	(4.0)	(3.3)	(0.7)	21%
EBIT	**6.3**	**5.2**	**1.1**	**21%**
EBIT margin	*22%*	*21%*		
Net interest	(0.4)	(0.6)	0.2	(33%)
Profit before tax	**5.9**	**4.6**	**1.3**	**28%**
PBT margin	*21%*	*18%*		
Tax Benefit/(Expense)	(1.1)	(0.8)	(0.3)	38%
Tax rate	*19%*	*17%*		
Underlying NPAT***	**4.8**	**3.8**	**1.0**	**26%**
Impairment (after-tax)	-	(12.0)	12.0	(100%)
Restructuring & Transaction Costs (after-tax)	-	(0.6)	0.6	(100%)
NPAT	**4.8**	**(8.8)**	**13.6**	**155%**
Underlying EPS (cents)	3.42	2.73	0.69	25%
Statutory EPS (cents)	3.42	(6.38)	9.80	154%

* FY18 H1 includes $0.3M of Share based payments expenses which is equity settled. (FY17 H1 $0.2M)
** Share of associate profit is Learnosity contribution based on 40.00% share of NPAT.
*** Adjustments made for significant one-off, non-recurring items for comparative purposes

Key Points

- Revenue increased 13% and on constant currency growth was 14%.
- Headcount has declined to 258 from 307 at 31 December 2016. The closure of the Pune, India development operations resulted in a reduction of 52 FTEs. Savings were reinvested into development operations located in Australia which has resulted in base salary remaining flat with prior comparative period.
- Employee costs increased due to accrued short term variable incentives of $0.8M.
- Marketing costs increased $0.3M due to increased use of digital marketing
- Technology costs increase reflect increased business systems costs and the transition to cloud
- Amortisation increased due to product development investment and change in useful life from 5 to 3 years
- Net interest expense reduced reflects lower average debt balance
- Prior comparative period includes one-off non-cash write down after tax of $12.0M and restructuring costs after tax of $0.6M
- Effective tax rate of 19% is low due to R&D offsets claimed in H1 consistent with prior years. Full year tax rate is expected to be slightly lower compared to prior year

FY18 H1– Cash flow

$M	FY18 H1	FY17 H1	Mvmt
Underlying Core EBITDA	10.3	8.5	1.8
Non-cash expense	(0.4)	(0.4)	-
Change in working capital	(14.6)	(10.7)	(3.9)
Operating free cash flow before intangibles	**(4.7)**	**(2.6)**	**(2.1)**
Investment in product development & other intangibles	(5.0)	(4.6)	(0.4)
Operating free cash flow after intangibles	**(9.7)**	**(7.2)**	**(2.5)**
Net interest paid	(0.3)	(0.5)	0.2
Income tax (paid)/refunded	(0.1)	(0.7)	0.6
Short term deposits	-	0.0	(0.0)
Net cash flows before investments	**(10.1)**	**(8.4)**	**(1.7)**
Payments of business and investments	-	(3.6)	3.6
Purchase of PP&E	(0.2)	(0.1)	(0.1)
Net cash flows after investments	**(10.3)**	**(12.1)**	**1.8**
Cash flow conversion[1] (before capital expenditure)	**(46%)**	**(31%)**	**(15%)**
Cash flow conversion[2] (after capital expenditure)	**(94%)**	**(85%)**	**(9%)**

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

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

Key Points

- Net cash flows after investments have improved $1.8M due to revenue growth and reduced payment for investments
- Operating free cash flow have declined $2.1M due to investment into working capital and the phasing of billings to later in the half
- Investment in product and system development increased by $0.4M to $5.0M with investments in new products and operating systems. FY18 capex is expected to be around $10M
- Seasonality of the business around the start of school years results in H2 having significantly stronger cashflows

FY18 H1– Balance sheet

$M	31-Dec-17	30-Jun-17	31-Dec-16
Cash and cash equivalents	3.5	3.3	4.2
Trade and other receivables	28.0	7.0	23.9
Income tax receivable	-	1.5	-
Total current Assets	**31.5**	**11.8**	**28.1**
Royalty receivable	-	0.0	0.1
Property, plant and equipment	1.1	1.1	1.1
Deferred tax assets	8.6	7.8	11.1
Intangibles and goodwill	17.6	16.0	14.4
Available for sale financial asset	-	-	2.6
Investments accounted for using the equity method	46.3	46.6	49.1
Total non-current assets	**73.6**	**71.5**	**78.4**
Total assets	**105.1**	**83.3**	**106.5**
Trade and other payables	8.6	5.6	9.1
Income tax payable	0.3	-	1.4
Deferred revenue	31.4	28.9	30.9
Provisions	1.8	2.2	1.6
Total current liabilities	**42.1**	**36.7**	**43.0**
Provisions	0.3	0.3	0.4
Borrowings	20.0	9.5	24.5
Deferred revenue	3.8	2.4	3.5
Total long term liabilities	**24.1**	**12.2**	**28.4**
Total liabilities	**66.2**	**48.9**	**71.4**
Net assets	**38.9**	**34.4**	**35.1**
Contributed equity	34.2	34.1	34.1
Retained earnings	-	(4.9)	(6.7)
Reserves	4.9	5.3	7.6
Non-controlling interest	(0.2)	(0.1)	0.1
Total equity	**38.9**	**34.4**	**35.1**

Key Points

- Net debt of $16.5M (peaks in December) Represents Net Debt/Underlying Core EBITDA ratio of 1.60x
- No term debt expected at end of FY18 and a materially improved net debt position this time next year
- Trade receivables has increased to $28.0M due to growth and the continued automation of subscription billing in APAC
- Increase in intangibles due to continued investment in product development (detailed on slide 21)
- Movement in carrying value of Learnosity due to share of profits and FX translation differences recorded in equity

Investment in Products & Technology Assets

Intangibles and Amortisation Profile

$M	Carrying Value 30-Jun-17	Additions	Amortisation	Impairment	Carrying Value 31-Dec-17
Mathletics & Spellodrome	10.0	3.7	(3.1)	-	10.6
Readiwriter	-	0.5	(0.1)	-	0.4
Systems	1.4	0.7	(0.5)	-	1.6
Capitalised Product Development	**11.4**	**4.9**	**(3.7)**	**-**	**12.6**
Total Technology Assets	**11.4**	**4.9**	**(3.7)**	**-**	**12.6**

$M	Amortisation Profile*				
	H2FY18	FY19	FY20	FY21	Total
Mathletics & Spellodrome	(3.0)	(4.7)	(2.5)	(0.4)	(10.6)
Readiwriter	(0.1)	(0.2)	(0.1)	-	(0.4)
Systems	(0.5)	(0.8)	(0.3)	-	(1.6)
Capitalised Product Development	**(3.6)**	**(5.7)**	**(2.9)**	**(0.4)**	**(12.6)**

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

Key Points

- Continued investment in Products and Technology
- Capital expenditure for FY18 expected to be ~ $10M
- Software and curriculum content is Amortised over 3 years.
- Amortisation profile of assets is provided to assist investors with modelling

FY18 Outlook

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FY18 Outlook

- Continue to deliver revenue growth greater than cost growth.
- We will largely complete foundation building in FY18 (strengthening the product portfolio around maths and literacy and developing a scalable go to market model) allowing 3P Learning to profitably scale with a focus on 4 growth drivers:
  - product line expansion (Readiwriter, Mathletics upsells)
  - customer segment expansion (esp K-2, secondary school)
  - geographic expansion
  - improved retention through investments in digitisation, data and analytics and improved product experience

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Q&A

Appendices

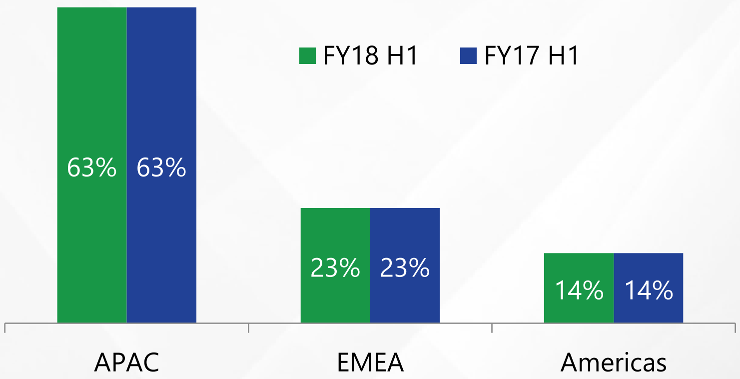
6

Revenue by Geography and Product

Revenue by Geography

A$M	FY13	FY14	FY15	FY16	FY17	FY18 H1	FY17 H1	Growth
APAC	24.2	24.6	30.1	30.8	31.8	17.8	15.7	13%
EMEA	5.5	8.6	10.3	12.6	13.0	6.5	6.0	8%
Americas	2.3	3.3	4.4	5.9	7.7	4.0	3.4	18%
Total	32.0	36.5	44.8	49.3	52.5	28.3	25.1	13%

Revenue split by Geography

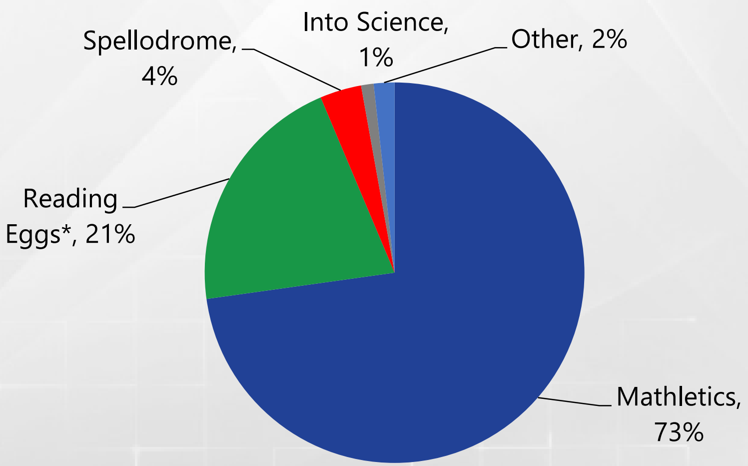


Revenue by Product

A$M	FY13	FY14	FY15	FY16	FY17	FY18 H1	FY17 H1	Growth
Mathletics	24.9	28.5	32.9	36.9	39.3	20.6	18.9	9%
Reading Eggs*	2.8	4.0	6.2	6.8	7.5	5.9	4.4	34%
Spellodrome	1.6	1.6	1.7	2.1	2.1	1.0	1.1	(9%)
Into Science	0.0	0.1	0.5	0.8	0.8	0.3	0.4	(25%)
Other **	2.7	2.3	3.5	2.7	2.8	0.5	0.3	67%
Total	32.0	36.5	44.8	49.3	52.5	28.3	25.1	13%

* Reading Eggs includes revenue on sale of Mathseeds (3rd party product)
** Other Revenue includes copyright fees, workbook sales and sponsorships

Revenue Split by Product

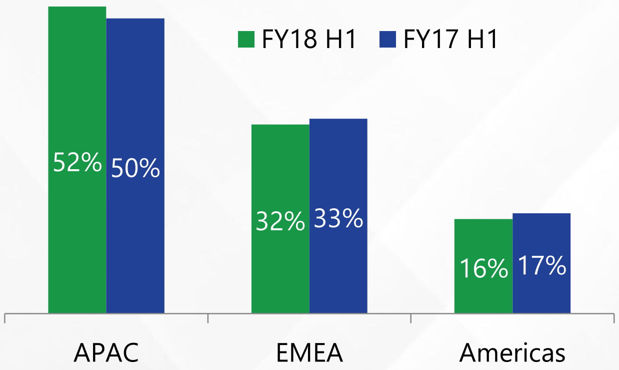


Licences by Geography and Product

Licences by Geography

000s	FY13	FY14	FY15	FY16	FY17	FY18 H1	FY17 H1	Growth
APAC	2,496	2,486	2,627	2,664	2,704	2,816	2,807	0%
EMEA	877	1,295	1,498	1,660	1,737	1,689	1,853	(9%)
Americas	358	662	903	1,026	1,001	828	948	(13%)
Total	3,731	4,443	5,028	5,350	5,442	5,333	5,608	(5%)
Legacy contract*	128	185	185	185	0	0	0	0%
Into Science**	4	37	99	117	85	61	108	(44%)
Total	3,863	4,665	5,312	5,652	5,527	5,394	5,716	(6%)

Licences split by Geography

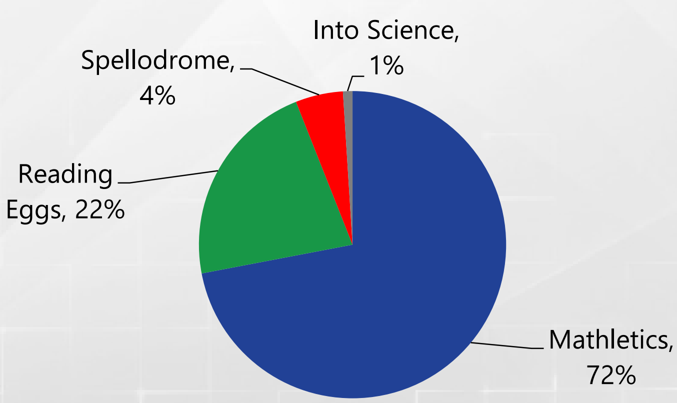


Licences by Product

000s	FY13	FY14	FY15	FY16	FY17	FY18 H1	FY17 H1	Growth
Mathletics	2,802	3,300	3,606	3,818	3,924	3,825	4,053	(6%)
Reading Eggs***	651	849	986	1,073	1,129	1,195	1,137	5%
Spellodrome	278	294	436	459	389	312	418	(25%)
Total	3,731	4,443	5,028	5,350	5,442	5,332	5,608	(5%)
Legacy contract*	128	185	185	185	0	0	0	0%
Into Science**	4	37	99	117	85	61	108	(44%)
Total	3,863	4,665	5,312	5,652	5,527	5,393	5,716	(6%)

* Legacy Middle East contract for Mathletics licences
** Into Science product not actively sold from February 2017
*** Reading Eggs includes licences on sale of Mathseeds (3rd party product)

Licences split by Product



Statutory EBITDA

Reconciliation of Segment EBITDA to Statutory EBITDA

$M	FY18 H1	FY17 H1	Mvmt	Growth
APAC EBITDA	**13.9**	**11.5**	**2.4**	**21%**
Less : Corporate Costs and Development	(8.2)	(6.5)	(1.7)	26%
Add : Intersegment royalties	3.9	3.6	0.3	8%
Statutory EBITDA	**9.6**	**8.6**	**1.0**	**12%**
EMEA EBITDA	**3.8**	**3.6**	**0.2**	**6%**
Less : Intersegment Royalties	(2.4)	(2.3)	(0.1)	4%
Statutory EBITDA	**1.4**	**1.3**	**0.1**	**8%**
Americas EBITDA	**0.5**	**(0.3)**	**0.8**	**267%**
Less : Intersegment Royalties	(1.5)	(1.3)	(0.2)	15%
Statutory EBITDA	**(1.0)**	**(1.6)**	**0.6**	**(38%)**
Group Statutory EBITDA	**10.0**	**8.3**	**1.7**	**20%**
Add : Share of Profit	0.3	0.5	(0.2)	(40%)
Underlying Core EBITDA	**10.3**	**8.8**	**1.5**	**20%**

Statutory EBITDA as disclosure in Note 3 of Financial Report as at 31 December 2017

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