12th April 2021

3P Learning
Investor Presentation

3P Learning

Important Notice (1 of 2)

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Financial information in relation to Blake has been derived from management accounts and other financial information made available by the Blake sellers in connection with the Merger. The pro forma financial information for 3PL following the acquisition of Blake is provided for illustrative purposes only.

Investors should also be aware that certain financial data included in this presentation including EBITDA and measures described as "pro-forma", are "non-IFRS financial information" under ASX Regulatory Guide 230 (Disclosing non-IFRS financial information). The non-IFRS financial information financial measures do not have a standardised meaning prescribed by AIFRS and, therefore, may not be comparable to similarly titled measures presented by other companies, nor should they be construed as an alternative to other financial measures determined in accordance with AIFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial measures included in this presentation.

Important Notice (2 of 2)

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Certain financial figures in this presentation have been rounded as applicable, unless otherwise stated. Such figures should be considered as approximate figures. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation. Any discrepancies in any table between totals and sums of amounts listed therein or to previously published financial figures are due to rounding.

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Transaction Overview

Transaction Overview

Transaction Details	▪ 3P Learning Limited ("3PL") to merge with Blake eLearning Pty Ltd ("Blake") ("Merger") by acquiring 100% of Blake from Pascal Educational Services Pty Ltd as trustee for the Blake Sandblom Trust and the BeL Unit Trust, and KPIT Pty Ltd as trustee for the KP Investment Trust (together, "Sellers") to create a leading EdTech platform ("MergeCo") ▪ The Merger is subject to a number of conditions precedent, including approval by 3PL shareholders at a general meeting to be scheduled in May 2021 ▪ The 3PL Board has unanimously resolved to recommend the Merger to shareholders in the absence of a superior proposal and subject to the independent Expert concluding that the Merger is fair and reasonable or not fair, but reasonable
Overview of Blake	▪ Blake is a privately owned, Australian-headquartered, global provider of online education products focused on pre-K to year 10 students ▪ Blake offers a broad range of literacy and numeracy products including Reading Eggs, Mathseeds, Reading Eggspress, WordFlyers and Fast Phonics ▪ Blake has built a strong and growing presence in the direct-to-consumer market and services the school market predominantly through third party distribution arrangements
Strategic Rationale	▪ Creates a large scale, leading EdTech platform ▪ 3PL's strength in numeracy is complemented by Blake's strength in literacy (the two key spend categories for K-12 EdTech) which will enable further penetration in existing and new markets ▪ Full control of the intellectual property rights in its key products Reading Eggs and Mathseeds (which 3PL currently has rights to distribute) provides the potential to unify the platform experience to offer a comprehensive product suite across subjects and year groups ▪ Generates significant synergies and strategic cost efficiencies (estimated $7.5m - $12.5m annually) and the potential for additional new business opportunities (yet to be quantified) ▪ Complementary combination of 3PL and Blake's experienced senior leadership team
EPS accretion	▪ c.279% EPS accretive on a pro forma CY20 basis(1)
Consideration	▪ The acquisition will be funded via the issuance of 137m shares in 3PL, which implies a purchase price of $185m assuming a $1.35 issue price and represents 49.55% of the MergeCo share register based on 3PL's current issued share capital(2) ▪ The purchase price will also be subject to a customary post-completion working capital and net debt adjustment which will be settled in cash
Completion steps	▪ Distribution of the Notice of Meeting, Explanatory Statement (including an Independent Expert's Report) to 3PL shareholders (scheduled for mid-to-late April)(3) ▪ Shareholder meeting and vote (scheduled to take place in mid-to-late May) ▪ Transaction close (scheduled for late May subject to the satisfaction of the conditions precedent under the Share Sale Agreement)

(1) Details of this calculation are set out on page 19.
(2) Based on basic shares on issue of 139.5m. As a result of the Merger, the Sellers together with their associates will have a relevant interest in 49.63% of 3PL shares based on 3PL's current issued share capital.
(3) Subject to review by ASX.

Financial Highlights

The Merger adds significant scale to 3PL and establishes a solid platform for growth

($M)[1]	3P Learning	3P Learning + Blake eLearning	
CY20PF Revenue	56.2	100.5	↑ 79%
CY20PF EBITDA including synergies and strategic cost efficiencies[2][3]	15.5	42.9	↑ 177%
CY20PF EBIT including synergies and strategic cost efficiencies[3]	3.9	20.8	↑ 431%
CY20PF NPAT including synergies and strategic cost efficiencies[3][4]	1.9	13.9	↑ 649%

(1) Based on accounts of 3PL and Blake for the last twelve months to 31 December 2020, which in respect of Blake are not audited and in respect of 3PL are audited to 30 June 2020 and reviewed for the 6 months to 31 December 2020.
(2) Blake does not report EBITDA and expenses the large majority of development costs whilst 3PL typically capitalises eligible product development costs in accordance with Accounting Standards. The Blake pro forma EBITDA figures assume 65% of Blake development costs are capitalised, which is lower than the blended average cost capitalised by 3PL of 76% and results in higher amortisation expense in MergeCo.
(3) Synergies and strategic cost efficiencies of $10m assumed as the mid-point of the $7.5m – 12.5m range.
(4) Assumes a blended tax rate of 25.0%.

Overview of Blake

Company Overview

Overview

- Blake is part of the Pascal Press Group, Australia's leading independent educational publishing group which has been publishing and developing books, teacher support material and online content for over 30 years
- Blake was launched in 2009 with its breakthrough reading app, Reading Eggs which currently has users in over 100 countries, and develops, markets and sells branded EdTech websites and associated digital products
- Blake's main products focus on the most essential academic skills such as literacy (Reading Eggs) and numeracy (Mathseeds) that use Blake's "better ways to learn" approach to engage students and support teachers
- Blake's products are marketed directly to parents in the (B2C) channel and distributed in the schools (B2B) channel through partners such as 3PL (including in Australia, New Zealand and the UK) and Edmentum (in the United States and Canada)
- Offices are located in Australia, US , UK and China in addition to distribution partners globally
- Blake has developed a strong team across product, marketing and technology and adopts a highly entrepreneurial approach to managing investment and growth
- 3PL and Blake have a long-standing relationship pre-dating the IPO of 3PL in 2014 when an associate of Blake was a significant shareholder of 3PL. Since then 3PL has distributed Reading Eggs, Mathseeds and WordFlyers to the school market in key geographies including Australia and the UK

Key Highlights

$40.4m
CY20 Reported Revenue(1)

35.0%
Revenue CAGR(2)

$11.9m
CY20 Reported EBIT(1)

>100
FTE

c.320k
B2C Subscribers(3)

c.$7.0
Blended B2C ARPU(4)
($/subscriber/month)

(1) Based on Blake unaudited management accounts for the last twelve months to 31 December 2020.
(2) CAGR based on FY18 to CY20.
(3) Represents student subscribers as at 31 December 2020.
(4) Average ARPU represents the weighted average for B2C ARPU which is calculated based on revenue contribution of each geography and revenue type (e.g. monthly and yearly subs).

Key Product Overview

Blake offers a broad product suite comprising high quality literacy and numeracy products for children between the ages of 2-13 years

Online Courses

Reading Eggs Junior

Ages 2–4

First Steps
Delight your toddler with fun games and activities that build alphabet knowledge and ready-to-read skills.

Reading Eggs

Ages 3–7

Learning to Read
Children follow structured, one-on-one lessons that teach phonics, sight words and reading skills.

Reading Eggspress

Ages 7–13

Building Confidence
Older children can continue building key literacy skills to help them succeed in school.

Mathseeds

Ages 3–9

Learning Math
Nurture an early love of math with structured lessons and activities to build essential math skills.

Fast Phonics

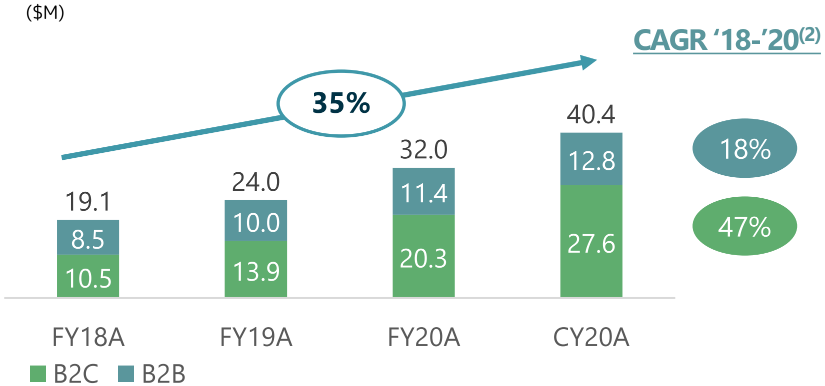
Ages 5–10

Support for Reading
Uses the proven power of systematic synthetic instruction to boost reading skills fast.

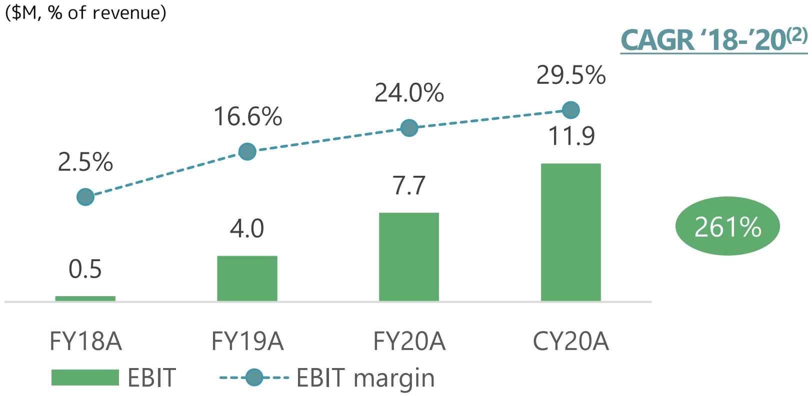
Blake Financial Highlights

Since FY18, Blake's revenue and EBIT has grown at a 35% and 261% CAGR

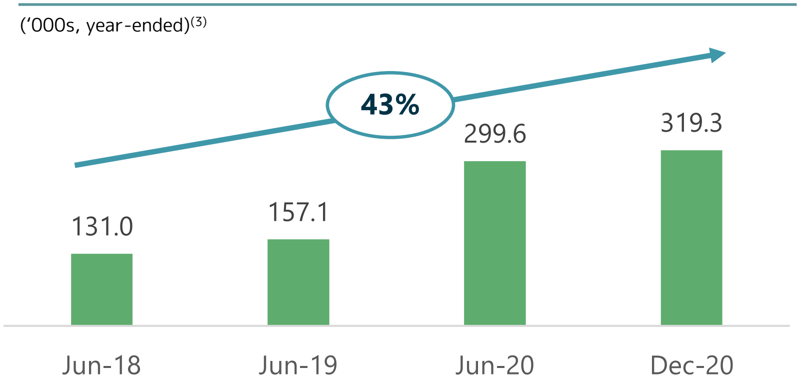
B2C and B2B revenue[1]



EBIT



Total Subscribers



Growth Strategies

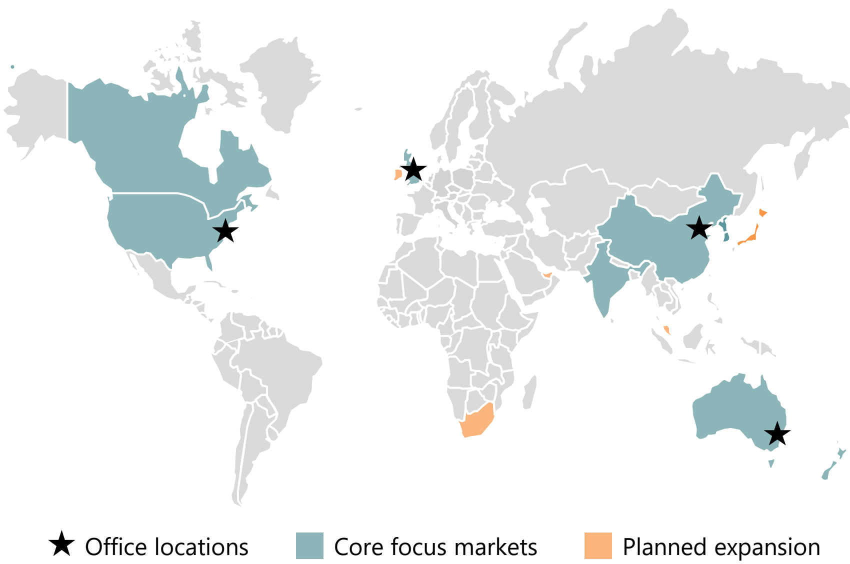
- Capitalise on the heightened subscriber base captured from the increase in in-home learning due to COVID-19, by continuing to increase acquisition and retention through improved marketing effectiveness, customer engagement and product enhancements
- Use data to improve metrics throughout the customer lifecycle
- Expand into new markets to capitalise on the demand for English language learning
- Continual product development and personalisation

Source: Based on unaudited management accounts of Blake.
(1) Total revenue includes other revenue of c.$0.0 - $0.3m.
(2) CAGR based on FY18 to CY20.
(3) Jun-18 based on student subscriber data as at 31 July 2018.

Geographic Reach

Blake has 4 offices across 4 different continents and customers in more than 100 countries

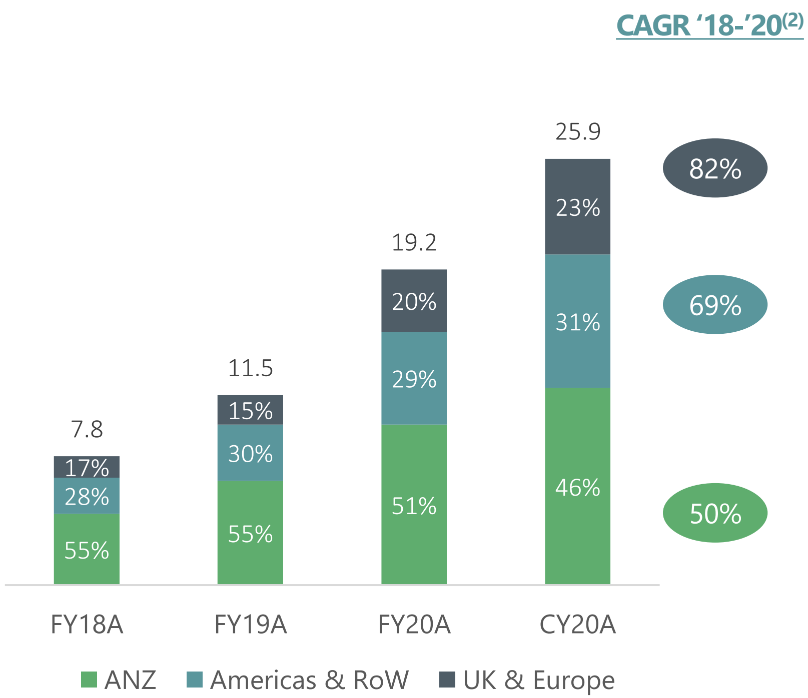
Global B2C Presence



- In addition to Blake's B2C presence, Blake has distribution partners located in Australia, United States, United Kingdom, most of Asia, South Africa, Canada and New Zealand
- Blake is actively expanding its offerings in new geographies, currently focused on the United Arab Emirates, South Africa, Japan, Singapore and other select markets in South East Asia

B2C Revenue by Region[(1)(3)]

(% of Total B2C Revenue)



(1) Based on Blake unaudited management accounts.
(2) CAGR based on FY18 to CY20.
(3) Excludes e-commerce sales and Mathseeds school sales included in total B2C figures.

Strategic Rationale and Overview of MergeCo

Strategic Rationale

The Merger creates multiple strategic and operational opportunities to enhance shareholder value

1	Creates a large scale EdTech platform	▪ Creates a scalable EdTech business with MergeCo CY20PF revenue of $100.5m and CY20PF EBIT of $20.8m
2	Enhances growth trajectory	▪ 3PL's strength in numeracy is complemented by Blake's strength in literacy (the two key spend categories for K-12 EdTech) which will enable further penetration in existing and new markets
3	Ownership of complementary customer offering with broader geographic, channel and curriculum mix	▪ 3PL's strong incumbent position in the school market is complemented by Blake's capability in the high growth direct-to-consumer market, allowing MergeCo to reach all channels ▪ Full control of intellectual property rights in its key products Reading Eggs and Mathseeds (which 3PL currently has rights to distribute) provides the potential to unify the platform experience to offer a comprehensive product suite across subjects and year groups(1)
4	Generates significant synergies and strategic cost efficiencies	▪ 3PL and Blake have identified efficiencies ($7.5m - $12.5m annually) across a range of cost categories – outlined on the subsequent slide ▪ There is also potential for revenue synergies across the combined product suite through cross-sell and new business opportunities. These revenue benefits are yet to be quantified
5	Experienced Board and Management	▪ Complementary combination of 3PL and Blake senior leadership team, including the appointment of Matthew Sandblom as Non-Executive Chairman of MergeCo (who has considerable experience in EdTech and familiarity with the 3PL and Blake businesses)

(1) 3PL currently has rights to distribute Reading Eggs and Mathseeds in various territories worldwide (some exclusions apply).

Synergies and Strategic Cost Efficiencies

The Merger is expected to generate c.$7.5m - $12.5m of annual synergies and strategic cost efficiencies from FY22 onwards

($M)	Time to Realise (months)(1)	Cost to Realise(2)	Annualised Savings Estimate(3)	Description
Consolidate and simplify sales, marketing and business processes	0 – 18		2.5 – 4.5	▪ Simplify marketing approach and leverage joint experience through B2B and B2C channels ▪ Streamline business functions
Consolidate and streamline office and support functions	0 – 18		1.0 – 2.5	▪ Consolidation of CEO role and simplification of back office functions ▪ Initial savings as offices are consolidated ahead of determining optimal go-forward premises
Product & Technology	0 – 12		4.0 – 5.5	▪ Primarily focused on third party vendor cost savings through product rationalisation and bringing external content production in-house where possible
Total		(3.5) – (5.0)(2)	7.5 – 12.5	

Note: The benefits and associated costs of potential revenue synergies are yet to be quantified

(1) Expected time to achieve annual run-rate cost savings.
(2) Estimated cost to realise reflects the aggregate estimated cost across all initiatives.
(3) Estimated cost savings reflect the annual run-rate cost savings MergeCo expects to achieve following the time to realise.

MergeCo Complementary Offering

MergeCo will have a complementary product offering that leverages the combined strengths of 3PL and Blake and creates opportunities for expansion across geographies and channels

Extensive product coverage across subjects, student year groups and channels

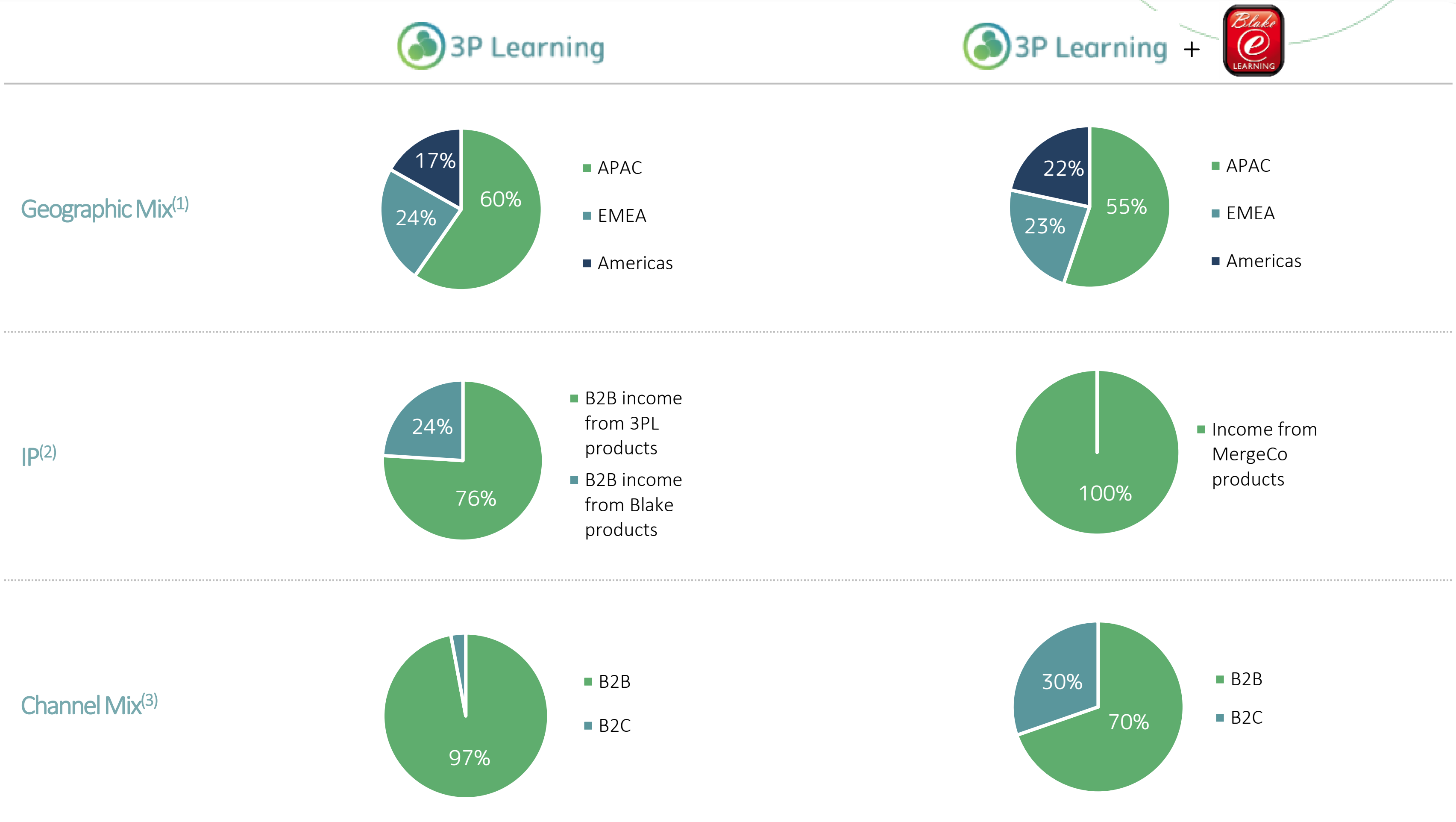
Subject	Current Brands	Commentary
Numeracy		▪ Services the school and home markets ▪ Covers pre-K to year 10 students ▪ Mathletics and Mathseeds provide a Strong complementary offering to all customers – Mathletics provides comprehensive curriculum aligned content and a practice and assessment platform with powerful reporting to demonstrate student improvement – Mathseeds provide lessons that teach each concept, allow students to explore, play and practice in a non-test based environment
Literacy		▪ Services the school and home markets ▪ Covers pre-K to year 10 students ▪ A strong complementary literacy offering focused on making learning essential literacy skills easy and fun

Product strategy

- Simplify the product portfolio to offer 3 'Hero' brands across numeracy and literacy (Mathletics, Mathseeds and Reading Eggs)
  - Reading Eggs includes Fast Phonics, Reading Eggspress and Reading Eggs Junior
- Focus investment on products that have consistently high sales and retention rates
- Optimise sales and marketing capabilities to support B2C growth and B2B expansion
- In the medium term, MergeCo will evaluate growth options for the North American business in line with MergeCo's strategy to simplify the product portfolio (noting that MergeCo does not have the right to distribute Reading Eggs to the B2B channel in North America)

MergeCo Key Metrics

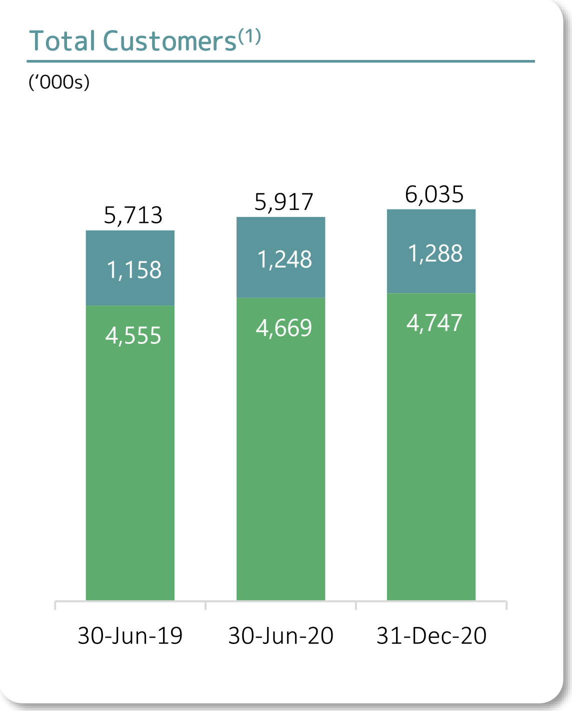
MergeCo will have a more diverse channel and geographic mix and it will own or be the licensee of all intellectual property material to the business

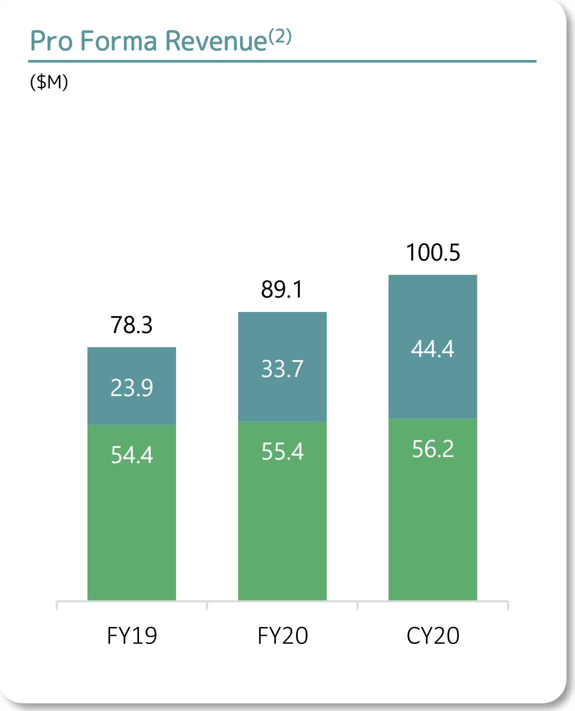


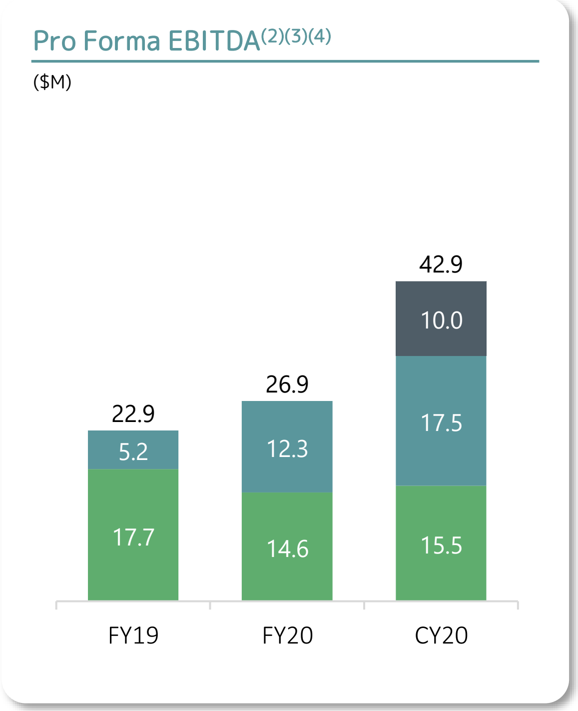
(1) Split based on CY20 revenue. MergeCo geographic mix based on Blake CY20 B2C revenue.
(2) 3PL B2B income from Blake products calculated based on net commission revenue as a percentage of CY20 revenue.
(3) Split based on CY20 revenue.

MergeCo Key Financials

MergeCo will have a larger customer base and more attractive earnings profile







3PL Blake Synergies and strategic cost efficiencies

(1) Active licences shown for 3PL and total student subscribers for B2C plus licences for Edmentum shown for Blake.
(2) Revenue and EBITDA figures for FY19 are based on the aggregated P&L for MergeCo but FY20 and CY20 are based on applying pro forma adjustments to Blake to adopt the accounting policies of 3PL and adjustments for specific transaction perimeter changes. This information was not available for FY19.
(3) Blake does not report EBITDA and expenses the large majority of development costs whilst 3PL typically capitalises eligible product development costs in accordance with Accounting Standards. The Blake pro forma EBITDA figures assume 65% of Blake development costs are capitalised, which is lower than the blended average cost capitalised by 3PL of 76% and results in higher amortisation expense in MergeCo.
(4) A full year of synergies and strategic cost efficiencies of $10m assumed as the mid-point of the $7.5m – 12.5m range.

Pro Forma Income Statement

Pro forma income statement for the period ended 31 December 2020

($M)	Reported 3PL	Reported Blake(1)	Pro Forma Adjustments	CY20
Revenue	56.2	40.4	4.0	100.5
Underlying EBITDA	15.5	12.0	15.5	42.9
Less D&A(2)	(11.7)	(0.0)	(10.6)	(22.3)
EBIT	3.9	11.9	4.9	20.8
Less Other Costs(3)	(1.4)	(0.8)	-	(2.3)
PBT	2.5	11.1	4.9	18.5
Less Tax(4)	(0.6)	(3.3)	(0.7)	(4.6)
NPAT(5)	1.9	7.8	4.3	13.9
EPS	0.01			0.05

c.279%

EPS accretive(7)

Pro Forma Adjustments

- The pro forma information assumes 3PL has been determined as the acquiror(6)
- Pro forma adjustments have been made for Blake to adopt the accounting policies of 3PL especially around revenue recognition, adjustments for specific transaction perimeter changes and capitalisation of a proportion of Blake's development costs that historically have been expensed immediately with an associated additional pro forma amortisation charge recognised
- Synergies and strategic cost efficiencies of $10m assumed as the mid-point of the $7.5m – 12.5m range

(1) Reflects the unaudited 31 December 2020 income statement.
(2) As at the date of this document, purchase price accounting adjustments have not been completed as a 12 month period is granted under Accounting Standards to complete this detailed work. As such, no adjustment has been made to include any additional identifiable intangible assets that may be recognised from the purchase price accounting exercise that is likely to increase future D&A expense amounts.
(3) Includes finance costs and other income and expenses, for example corporate advisory costs.
(4) Tax rate of 30% assumed for Reported Blake figures. Pro forma adjustment includes adjustment to Blake income tax assuming a 25% tax rate.
(5) NPAT assumes 25% blended tax rate.
(6) This pro forma income statement assumes a transaction on normal acquisition terms based on 3PL acquiring Blake and does not reflect adjustments that would be required under a reverse acquisition.
(7) Based on diluted SOI of 140.1m shares, which assumes 0.6m of the 0.9m employee share rights will vest as a result of 100% of the target incentive being awarded under 3PL's FY20 and FY21 LTI plans with the remaining rights to lapse. However, if 3PL's performance levels warrant 150% of the target being awarded, the additional 0.3m employee share rights will also vest. 3PL has an additional 3.6m employee options outstanding exercisable at a price of $1.75 per option which are excluded from the diluted share calculation.

Pro Forma Balance Sheet

Pro forma balance sheet as at 31 December 2020

($M)	Reported 3PL	Reported Blake(1)	Pro Forma Adjustments	Dec 20
Current assets				
Cash and cash equivalents	15.0	13.8	0.0	28.9
Trade and other receivables	11.4	2.8	(1.6)	12.6
Other	3.2	0.1	2.7	6.0
Total current assets	29.6	16.7	1.1	47.5
Non-current assets				
Plant and equipment	0.5	0.1	-	0.5
Intangibles(2)	22.2	1.2	165.7	189.1
Other(3)	8.9	1.1	1.6	11.7
Total non-current assets	31.5	2.4	167.3	201.3
Total assets	61.2	19.1	168.5	248.8
Current liabilities				
Trade and other payables	6.3	1.0	(1.5)	5.7
Contract liabilities	20.4	-	23.5	43.8
Other	3.4	1.4	0.7	5.4
Total current liabilities	30.0	2.4	22.6	55.0
Non-current liabilities				
Related party loans	-	5.2	0.7	5.9
Other	5.4	-	0.5	5.9
Total non-current liabilities	5.4	5.2	1.2	11.8
Total liabilities	35.4	7.5	23.9	66.8
Net assets	25.8	11.6	144.6	182.0

Pro Forma Adjustments(4)

- Pro forma adjustments have been made to reflect the transaction proceeding (including the recognition of intangibles / goodwill), for Blake to adopt the accounting policies of 3PL (especially around revenue recognition), elimination of balances historically owing between 3PL and Blake and adjustments for specific transaction perimeter changes

(1) Reflects the unaudited 31 December 2020 balance sheet.

(2) As at the date of this document, purchase price accounting adjustments has not been completed as a 12 month period is granted under Accounting Standards to complete this detailed work. No adjustment has been made to include any additional identifiable intangible assets that may be recognised from the purchase price accounting exercise including a potential value for a Blake capitalised development costs asset that may have been accumulated over multiple years. As such, all consideration in excess of the net assets acquired have been included in the balance sheet caption of Intangibles that represents both goodwill and identifiable intangibles.

(3) Pro forma adjustment includes removal of shares investment in Repco of $0.7m from Blake Non-Current Assets and Related Party Loans. This investment was an animated version of Reading Eggs, in a joint venture with Flying Bark (Repco) and is being written off in 2HFY21.

(4) This pro forma balance sheet assumes a transaction on normal acquisition terms based on 3PL acquiring Blake and does not reflect adjustments that would be required under a reverse acquisition.

Other Transaction Considerations (1 of 2)

Board Composition	▪ Following completion, the MergeCo Board of Directors will comprise: — Non-Executive Chairman: Matthew Sandblom, founder and current Executive Chairman of Blake — Three current directors of 3PL, being Sam Weiss, Claire Hatton and Mark Lamont — On completion of the Merger, Roger Amos will resign as a director of 3PL ▪ The Sellers, together with their associates, who on completion of the Merger will have an aggregate voting power in respect of 137.2m 3PL shares (representing approximately 49.6% of the issued capital of 3PL[(1)]), have confirmed to the directors of 3PL that from completion of the Merger until the completion of 3PL's first annual general meeting after completion of the Merger, they will vote, or procure the vote of, those shares to procure that the MergeCo Board will be constituted by a majority of independent directors
Management	▪ On completion, Jose Palmero will serve as interim CEO of MergeCo ▪ Following completion of the integration of the businesses, the Board of MergeCo will consider whether to retain Mr Palmero as CEO or undertake a search to appoint a new CEO
Voluntary Escrow	▪ The Sellers will be issued with 137.0m 3PL shares upon completion of the Merger, representing 49.6% of MergeCo's share register[(1)] ▪ The Sellers will enter into voluntary escrow arrangements in respect of 90% of the consideration shares received until release of FY22 results ▪ The Sellers have agreed to a standstill to not acquire any additional 3PL shares for a period of 12 months from completion
Conditions Precedent	▪ Completion of the Merger is subject to the satisfaction or waiver of a number of conditions precedent. Key conditions include: — Shareholder approval; — Jose Palmero entering into an employment agreement with MergeCo in relation to the position of CEO of MergeCo; — the independent expert continuing to conclude the Merger is fair and reasonable or not fair, but reasonable; — no regulatory intervention; — the Sellers completing a restructure of the Blake group in accordance with the agreed steps; and — no material adverse change occurring in relation to 3PL or Blake
Exclusivity	▪ The Share Sale Agreement provides that 3PL is subject to certain exclusivity obligations including no-shop, no-talk, no-diligence restrictions and a notification and matching right obligation ▪ A fiduciary out applies in respect of the no-talk, no-due diligence and notification obligations and 3PL may terminate the SSA in the event a superior proposal is received and the Sellers do not provide an equivalent or superior counterproposal
Warranties and Indemnities	▪ The SSA contains customary warranties and indemnities for a transaction of this nature which are supported by warranty and indemnity insurance obtained by 3PL ▪ 3PL has also provided a limited set of warranties to the Sellers, which reflect its status as a disclosing entity

(1) Based on 3PL basic shares outstanding.

Other Transaction Considerations (2 of 2)

Non-Compete Restrictions	▪ The Share Sale Agreement provides that the Sellers' key personnel are restricted from engaging in any business or activity which competes with the business conducted by Blake ▪ This restriction applies during any period in which the Sellers' aggregate voting power in 3PL is 20% or more and up to 3 years thereafter ▪ Entities associated with the Sellers, Matthew Sandblom and Jose Palmero are engaged in various online education ventures which will not form part of MergeCo. Subject to certain conditions, these pre-existing interests are an exception to the restraint. Corporate governance and information sharing protocols will be established to address any conflicts which may arise in relation to these interests. Further disclosure on the nature of these interests, and the associated risks posed to MergeCo, will be included in the Notice of Meeting and Explanatory Statement ▪ From the date of the Share Sale Agreement until the earlier of (i) the date the Sellers aggregate voting power in 3PL is less than 20%; or (ii) if completion does not occur, the termination of the Share Sale Agreement, the Sellers and their associated key persons (being Matthew Sandblom, Katherine Pike and Jose Palmero) have undertaken to 3PL that where they propose to actively be involved in the creation or development of any new ed-tech product (New Ed-Tech Opportunity) they will do all things necessary to ensure that the New Ed-Tech Opportunity is developed through 3PL or an entity within the 3PL group
Excel Test Zone Option	▪ 3PL to be granted an option to acquire the assets required to operate the Excel Test Zone business, a test preparation and practice website conducted by an entity associated with the Sellers, Matthew Sandblom and Jose Palmero ▪ Exercise price equal to the greater of $2 million or 4x the annual subscription revenue generated by the Excel Test Zone business ▪ Option will lapse within 5 years from completion of the Merger ▪ In addition to the option, 3PL has a first right of refusal if a third party makes an offer to buy the assets required to operate Excel Test Zone
Related Party Transactions	▪ Related party arrangements between MergeCo and entities related to the Sellers are all on arm’s length terms and market rates, and include or upon completion will include: — Services under the transition services agreement — Lease for portions of 655 Parramatta Road Leichardt — Sales, printing and distribution agreement with Kalaci Pty Limited — Licence to 3PL to use certain video technology provided by Clickview

Transaction Process & Timeline

The Merger is subject to shareholder approval

- The Merger is subject to shareholder approval and the satisfaction or waiver of the other conditions precedent under the Share Sale Agreement
  - Shareholders will receive an explanatory statement, which will include an Independent Expert's Report

Indicative timetable

Key Event	Expected Date (2021)
Distribution of Explanatory Statement and Notice of Meeting to 3PL shareholders	Mid-to-late April(1)
Meeting and shareholder vote	Mid-to-late May
Transaction completion	Late May(2)

(1) Subject to review by ASX.
(2) Subject to 3PL shareholder approval, regulatory approvals and satisfaction or waiver of the other conditions precedent in the Share Sale Agreement.

Key Risks

Key Risks

General

- An investment in 3PL will be exposed to a number of risks as a result of proceeding with the Merger. A decision not to proceed with the Merger will also expose your investments in 3PL to a number of risks
- Risks that the Directors believe are potentially material are described later in this section
- There are also risks that are common to all investments in shares and which are not specific to an investment in 3PL or the Merger; for example, the general volatility of share prices including as a result of general economic conditions (including monetary and fiscal policy settings as well as exchange and interest rates) in Australia and overseas and other events outside the usual course of 3PL's business such as acts of terrorism or war
- Investors should note that the occurrence or consequences of some of the risks described in this section of the presentation are partially or completely outside the control of 3PL, its Directors and senior Management
- Further, investors should note that this description focuses on the potential risks and does not purport to list every risk that 3PL may have now or in the future. It is also important to note that there can be no guarantee that 3PL will achieve its stated objectives
- Investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section of the presentation, and have regard to their own investment objectives, financial circumstances and taxation position before investing in 3PL. If you do not understand any part of this presentation, or are in any doubt as to whether to invest in Shares or not, it is recommended that you seek professional guidance from your stockbroker, solicitor, accountant or other independent and qualified professional adviser before deciding whether to invest

Key Risks (continued)

Risks relating to the implementation of the Merger, if approved

- As with any merger, combining the businesses of 3PL and Blake may carry some integration risk, including potential delays or costs in implementing necessary changes, difficulties in integrating various operations and retention of critical staff throughout the transition period
- There is a risk that the synergy benefits of the Merger may be less than expected or may not materialise at all. While 3PL and Blake have undertaken analysis in this area, expected synergies and strategic cost efficiencies cannot be confirmed until the Merger is approved and fully implemented. It should also be noted that benefits and costs associated with potential revenue synergies have not been quantified, and that the integration of 3PL and Blake products onto the same platform may be a costly and timely endeavor
- There is the risk that unforeseen events may cause the synergies and strategic cost efficiencies to be delayed, not be obtained, or cost more to achieve than originally expected
- To address these risks, management of 3PL and Blake have devised strategies to integrate people, processes, systems and risk management frameworks for the immediate post-Merger period

Key Risks (continued)

Risks relating to 3PL following the Merger, if approved

- Given the size and growth outlook of the Blake business, the operating and financial performance of Blake in the future will have a material impact on the performance of 3PL and on the value of 3PL shares
- As the post-Merger 3PL will be larger, it may be less likely to receive a takeover bid in the future. Further, post-completion, the Sellers will have a stake sufficiently large enough to block a takeover or control transaction. It is also possible that the presence of the Sellers as material shareholders in 3PL may be perceived by the market as reducing the likelihood of a takeover of 3PL. This may potentially cause 3PL shares to trade at a discount to the value at which they would trade if the Sellers did not hold their stake in 3PL. As a result, by voting in favour of the Merger, 3PL Shareholders may be foregoing an opportunity to sell their shares at a premium to trading via a future takeover or control transaction
- On completion of the Merger, the Sellers will collectively have voting power in respect of 49.6% of 3PL's shares and consequently have the ability to exert significant influence over resolutions put to shareholders, including in relation to the election of directors, significant corporate transactions and certain issues of equity securities. Due to their material shareholding post completion, Matthew Sandblom becoming Chair of the MergeCo Board and the new CEO of MergeCo being the former CEO of the Seller’s business, there is a risk that decisions made by MergeCo may benefit the Sellers and their related entities to the detriment of existing 3PL shareholders (including decisions about whether to enforce rights under the Share Sale Agreement against the Sellers). This risk is mitigated by obligations and protections under law (including fiduciary obligations and director’s duties) and by MergeCo having a majority independent director board post completion. The obligation of the Sellers to vote to support a majority independent director board falls away after the first annual general meeting of MergeCo
- The Sellers' pre-existing online education ventures, which are excluded from the Merger may present ongoing conflict management considerations between MergeCo, its proposed CEO (Jose Palmero) and Chairman (Matthew Sandblom) and the Sellers more generally. This conflict primarily arises due to 3PL's existing flagship product, Mathletics, having assessment functionality which overlaps with the business conducted by Excel Test Zone (a test preparation and practice website operated by an entity associated with the Sellers, Matthew Sandblom and Jose Palmero). However, this risk may be limited through 3PL’s rights to acquire the Excel Test Zone assets as described above. Similar issues may arise in relation to the Sellers’ other pre-existing interests which are excluded from the restraint provisions
- There is a risk that the corporate governance protocols required to manage these conflicts prove to be overly burdensome or otherwise distract the MergeCo Board and management from the efficient operation of MergeCo's business. There is also a risk that the prospects of MergeCo to expand its assessment functionality offering may be adversely impacted by competition from such external interests or conflict management protocols adopted by MergeCo in relation to those interests. However, this risk may be limited through 3PL’s rights to acquire the Excel Test Zone assets as described above
- Entities associated with the Sellers, Matthew Sandblom and Jose Palmero are or at completion of the Merger will be parties to a number of related party arrangements with Blake. These related party arrangements are proposed to continue post-Merger and are considered by 3PL to be on arm's length commercial terms. Notwithstanding the implementation of appropriate protocols, a risk remains that should a claim be made in relation to these arrangements, it could be made against or involving entities associated with the Sellers or key executives or directors of MergeCo, including Jose Palmero and Matthew Sandblom, which may result in significant internal disruption

Key Risks (continued)

Risks relating to 3PL following the Merger, if approved (continued)

- Possible difficulties in bringing together two different culture and management styles in an effective manner
- 3PL undertook a due diligence process in respect of Blake, which relied in part on the review of financial and other information concerning Blake's business and corporate structure, which was provided to 3PL by the Sellers. The financial information of Blake included in this Investor presentation is sourced from unaudited management accounts. Despite making reasonable efforts, 3PL has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. 3PL has also not assessed the internal controls used to prepare the unaudited financial information of Blake or tested or reviewed the design of the effective controls. Similarly, 3PL has prepared (and made assumptions in the preparation of) the financial information relating to Blake (on a standalone basis and also with 3PL post-acquisition of Blake) included in this presentation from financial and other information provided by the Sellers. If any of the data or information provided to and relied upon by 3PL in its due diligence process and its preparation of this presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of MergeCo may be materially different to the financial position and performance expected by 3PL and reflected in this presentation. Furthermore, there is a risk that due diligence conducted has not identified issues that would have been material to the decision to enter into the Merger. A material adverse issue that was not identified prior to entry into the Merger could have an adverse impact on the financial performance or operations of MergeCo
- As a producer and publisher of online education products, intellectual property rights are essential to the Blake business. Many of the intellectual property rights relevant to the Blake business are owned by entities associated with the Sellers which are not currently part of the Blake group. The due diligence process also revealed intellectual property rights in works created by third parties for the Blake group, which had not been assigned to Blake. It is a condition precedent to the completion of the Merger that the Sellers transfer all Blake business intellectual property rights to Blake as part of a pre-completion restructure. There is a risk that other intellectual property rights, relevant to the Blake business, have not been identified by the Sellers and will not be assigned to Blake prior to completion of the Merger. There is a further risk the Share Sale Agreement will not be sufficient to prevent any potential claims against Blake for the infringement of any third party's intellectual property rights. Any inability to secure the necessary intellectual property rights relevant to the Blake business could materially adversely affect MergeCo's financial position and performance
- 3PL is required to undertake an assessment of the fair value of the tangible and intangible assets acquired as well as the actual and contingent liabilities of Blake at the date of the completion of the Merger. Accounting standards provide twelve months from completion for this assessment to be finalised. The outcome of this assessment could give rise to different values being applied than those used in the pro-forma financial information contained in this presentation. Such an outcome will impact the values of assets and liabilities reported in the consolidated balance sheet by 3PL. There will also be differences in the depreciation and amortisation charges recognised in the consolidated profit or loss account which may impact reported profit before tax and net profit after tax

Key Risks (continued)

Risks relating to 3PL following the Merger, if approved (continued)

- If the Merger proceeds, MergeCo will be responsible for any outstanding liabilities that Blake has incurred prior to the Merger, including any liabilities that were not identified during 3PL's due diligence or which are greater than expected, or for which warranty and indemnity insurance may not be available, and for which 3PL may not have recourse under the Share Sale Agreement. Such liabilities could include liabilities relating to current or future litigation or other proceedings, failure by Blake to hold required regulatory approvals, authorisations or licences, regulatory actions, warranty or performance claims, historical tax liabilities and other liabilities. These risks are mitigated by the warranty and indemnity insurance that 3PL has put in place to support the warranties and indemnities received from the Sellers. However, the warranty and indemnity insurance will not respond on all matters and is subject to a maximum liability cap and retention amount
- The factors outlined above are not an exhaustive list and there may be other matters which cannot be foreseen that may, in the future, affect the performance of the enlarged 3PL entity and the value of 3PL shares
- Given the ownership interest, significant judgment is required to determine whether the Sellers have the “power to govern” and therefore it is possible the acquisition constitutes a reverse acquisition in that Blake is recognised as the accounting acquirer - complicating FY21 reporting
- The Merger may result in 3PL having a more concentrated share register and more limited liquidity, which may impact the trading performance of 3PL shares and may impact shareholders ability to sell at an appropriate price
- A significant proportion of the value creation Viburnum identified in assessing the Merger is based on a share price re-rating of 3PL post the Merger. An assessment of the re-rating is subjective and uncertain as to the quantum and timing of any re-rating. Over time, maintaining the share price re-rating, should it occur, will be completely dependent on the ability of the MergeCo management team to:
  - Manage and grow the direct-to-school business
  - Continue to grow the direct-to-consumer business at an accelerated rate in a post COVID-19 vaccine environment. Up until this point there’s been limited visibility on long-term historical trends that could be considered “steady state” or consistent given the unprecedented effects of COVID-19. This makes it extremely difficult to assess forecast financial information.
  - Achieve the estimated synergies and strategic cost efficiencies outlined by Blake

Key Risks (continued)

Business specific risks

- 3PL faces a number of risks to its business, including:
  - 3PL operates in a highly competitive industry and there are a large number of online education participants targeting the K-12 school segment, many with significant resources and access to capital
  - 3PL's technology platforms and systems might be disrupted by new technologies or become obsolete, which could affect 3PL's reputation and ability to generate income
  - A significant decline in school funding in any market could result in reduced demand for 3PL's products
  - Volatility in exchange rates can impact 3PL's ability to maintain or grow margins
  - Counterparty credit risk associated with ongoing commercial activities, including commercial contracts with various third parties
  - The quickly evolving nature of the EdTech market makes it difficult to predict consumer trends and release desired products

- Blake faces a number of risks to its business, including:
  - Blake operates in a highly competitive industry and there are a large number of online education participants targeting the pre-K to year 10 home segment, many with significant resources and access to capital
  - Inability to sustain recent subscriber growth rates post the COVID period and / or increased churn rates associated with the cohort of annual subscribers since March 2020.
  - Blake relies on third party distributors to serve the direct-to-school market. There is major concentration as two distributors (3PL and Edmentum) currently represent c.95% of distributor revenue. There's a risk that distributors underperform or Blake's relationship with Edmentum ends
  - Increased investment and reliance on paid marketing channels required to keep pace with competitors and maintain the direct-to-consumer base, which has average monthly subscriber lifespans of c.9 months and annual subscriber lifespans of c.1.8 years
  - Reliance on Google and iOS as distributors through mobile (greater than 20% of total revenue)
  - Volatility in exchange rates can impact Blake's ability to maintain or grow margins
  - The quickly evolving nature of the EdTech market makes it difficult to predict consumer trends and release sticky products
  - Blake's technology platforms and systems might be disrupted by new technologies or become obsolete, which could affect Blake's reputation and ability to generate income