

ASX ANNOUNCEMENT

Wednesday 9th September 2015

3P Learning announces minority investment in Learnosity Holdings

3P Learning (ASX: 3PL) has acquired a 23.07% interest in Learnosity Holdings Limited (Learnosity) a provider of SaaS Assessment tools, based in Dublin, Ireland for US\$19.4m, with the potential to increase its investment to 40% within 8 months.

About the Investment

The investment is being funded out of 3P Learning's cash reserves, with 3P Learning also having the option (at its complete discretion) to substitute a portion of the sale price with a share placement of US\$3.5m issued to a number of the Directors of Learnosity that will be held in escrow for 12 months. Following the investment, 3P Learning will have minority shareholder protections and will account for Learnosity as an associate. Learnosity is growing rapidly and is expected to have revenue of in excess of US\$9m in FY16 (based on forecasted revenue).

The investment provides 3P Learning with access to the cutting edge in assessment technology, and enhances its ability to rapidly develop product enhancements across 3P Learning's learning resources. At the same time, the investment allows the Learnosity team to continue their focus on powering the entire education industry by providing the base functionality that every product needs.

3P Learning and Learnosity are aligned in terms of their growth strategies in the US. Learnosity and 3P Learning share the view that there is significant emphasis on assessment in the US and both companies are committed to supporting an aggressive growth path in that jurisdiction. Learnosity currently offers robust math tools, such as Cartesian graphing, bar charts, as well as powerful auto-scoring for mathematical equations.

About Learnosity

Learnosity is a cutting edge B2B technology company that delivers comprehensive assessment tools for education companies. With intuitive authoring, powerful reporting, and over 50 Technology Enhanced Items (TEIs), Learnosity shortens development cycles, effort, and time to market without sacrificing quality or value. Learnosity's solution powers the assessment layer for a substantial number of major K-12 education



3P Learning

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companies, higher education, test preparation, and corporate learning institutions worldwide. By handling the undifferentiated heavy lifting, Learnosity allows its customers to continue to innovate and differentiate.

Tim Power, CEO of 3P Learning said; "The Learnosity team, led by Gavin Cooney and Mark Lynch, have a rare mixture of humility, talent and an unyielding dedication to their customers' needs. From this culture, they have built an outstanding assessment platform. The alignment of culture and performance with 3P Learning make them a great investment and partner."

Gavin Cooney, Learnosity CEO and co-founder said; "We are delighted that 3P Learning is investing in Learnosity. 3P Learning has a deep understanding of the digital education market and leads the world in student engagement in learning. Their culture and vision is aligned with ours and we look forward to working with them as we rapidly expand our business."

We share a simple goal: to make education better - it's the single most important investment we can make.

ENDS

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Read more at www.3plearning.com/hello

About 3P Learning

3P Learning's mission is to create a place where students, families and teachers love learning. 3P Learning has brought together a community of 5.3 million students and 17,000 schools across the world using its award winning resources to learn mathematics (Mathletics), spelling and literacy (Spellodrome), reading (Reading Eggs) and science (IntoScience).

The company is comprised of 300 educators, engineers and product designers and other personnel, based in 11 countries, servicing schools in over 100 countries.

3P Learning has a powerful partnership with UNICEF, which has enabled over 100,000 students to go to school in developing countries.

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