

ASX ANNOUNCEMENT

23 June 2020

3P Learning Business Update

Further to the business update on 23 April, 3P Learning Limited (ASX: 3PL) ('3P Learning' or 'Company') provides the following update in relation to its pipeline of high value sales opportunities noted as part of our half year results and conditions in the USA.

3P Learning is pleased to confirm that one of those opportunities has been secured; the Company has signed a US\$10 million agreement with a National Ministry of Education in the Middle East, to provide Mathletics licences and professional development services.

The majority of the services will be performed in FY21 and as a consequence the agreement will not have a material impact on revenue in FY20, but will contribute approximately US\$10 million in revenue in FY21. Collection of the agreement proceeds is also expected to occur during FY21. Costs associated with obtaining the agreement will be recognised in FY20 and will reduce FY20 EBITDA. Additional operating expenses will be incurred in FY21, reflecting the cost of delivering professional development and customer support services, both locally and via digital channels. The agreement is expected to make a positive contribution to FY21 EBITDA.

The agreement is for a period of approximately 12 months and there is potential for the agreement to be renewed and expanded after that time.

The Company's ability to participate in, and build a sales funnel of, large global opportunities is a result of the strategic work completed over the past 3 years including improvements to the product portfolio and the development of a scalable operating model.

As noted in our business update on 23 April, the USA has been particularly impacted by the COVID-19 pandemic. Current economic conditions are contributing to budget uncertainty for schools and delays in purchasing decisions, resulting in more moderate revenue growth expected for the Americas region in FY20 and lower EBITDA for the region compared to FY19.

This announcement has been authorised for release by the Chairman of the Board of 3P Learning Limited.

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For further information, please contact 3P Learning Investor Relations –
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