

August 2019

3P Learning

20:22 Accelerate Growth

This presentation contains the same content as in our 20:22 Accelerate Growth video available at:

<https://www.3plearning.com/investors/strategy-update-august-2019/>

2017-2019 Laying the foundation for profitable growth



Strengthen product



Create a scalable sales and marketing model



Globalise the business



To understand how we are positioned to execute our next 3 years strategy, it's worth doing a quick recap on how we've been setting the business up for this growth phase.

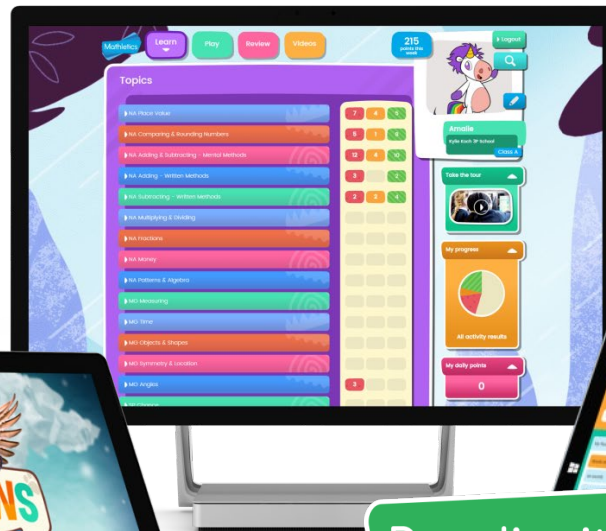
Across 2017-2019 our unwavering focus was on 3 strategic priorities: strengthen the product portfolio, create a scalable sales and marketing model and globalise the business.

These 3 strategic priorities have now laid the foundation for 3P to realise its ambition to be a leading global SaaS K-12 education brand and business.

Strengthen our product portfolio



To achieve our first strategic priority, 'strengthen our product portfolio around maths and literacy' we completed the significant migration to HTML5, strengthened our K-2 offering, introduced new and exciting student activities like Multiverse and improved our data and analytics around product efficacy. We also embarked on the launch of our own literacy brand called Rediwriter.



Rediwriter



MULTIVERSE

SAAS Model



Our second strategic priority, to 'develop a more scalable sales and marketing model', saw us invest in a world class sales and marketing automation platform, we rebuilt our B2C customer experience, renovated our web presence and implemented a powerful contract management and billing system.



SAAS Model

Combined, these actions now position 3P to be a scalable SaaS business in a multi product environment across a diverse array of countries and customers.



SAAS Model

“I am really excited about the progress we have made to set 3P up as a scalable digital SaaS business; standardising to a leading marketing automation platform gave us the ability to retire a fragmented collection of marketing tools and build a scalable set of marketing journeys for both acquisition and retention activities. We also significantly extended our back office systems and delivered some advanced capabilities for case management, a fully featured product catalogue with sophisticated pricing, quoting and subscription billing modules and most importantly robust contract management. Together these capabilities form the foundation of how we will manage and grow our customer base in a more scalable and digital way.”

Simon Perry

Chief Information Officer

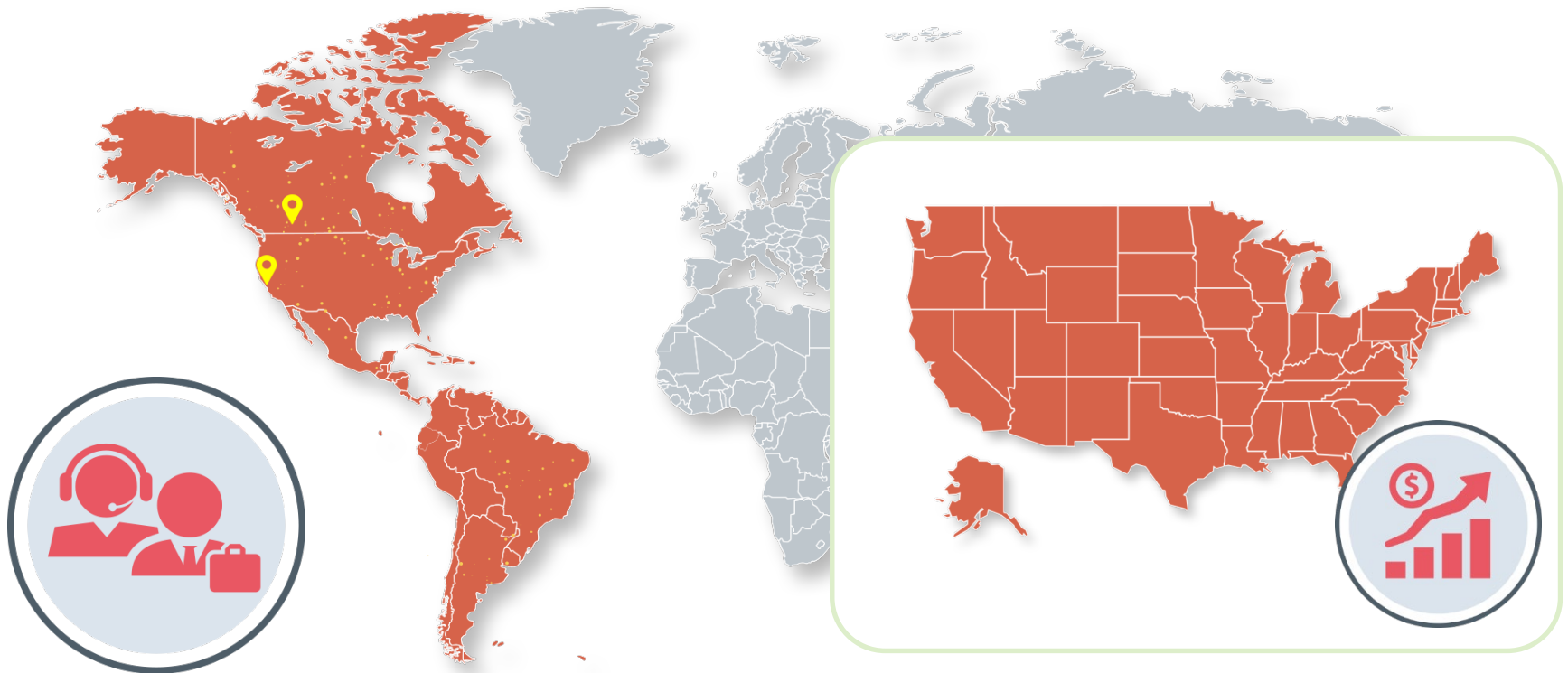


Americas Region



In all markets, including the important Americas region, we reset our sales model to use lower cost digital and telesales resources to address transactional school by school sales and directed field sales to higher value contracts at the district level.

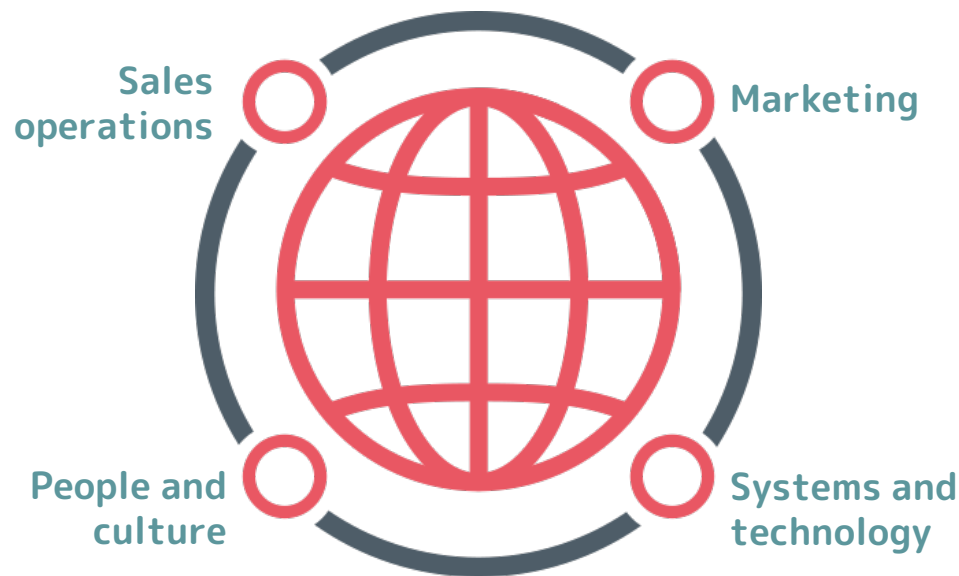
By resetting our cost structure in the Americas, implementing a new sales model and hiring some top American K-12 ed tech talent, the Americas region now makes a positive contribution to the group and is now poised to drive strong double-digit growth for 3P in the 20:22 plan.



Globalising



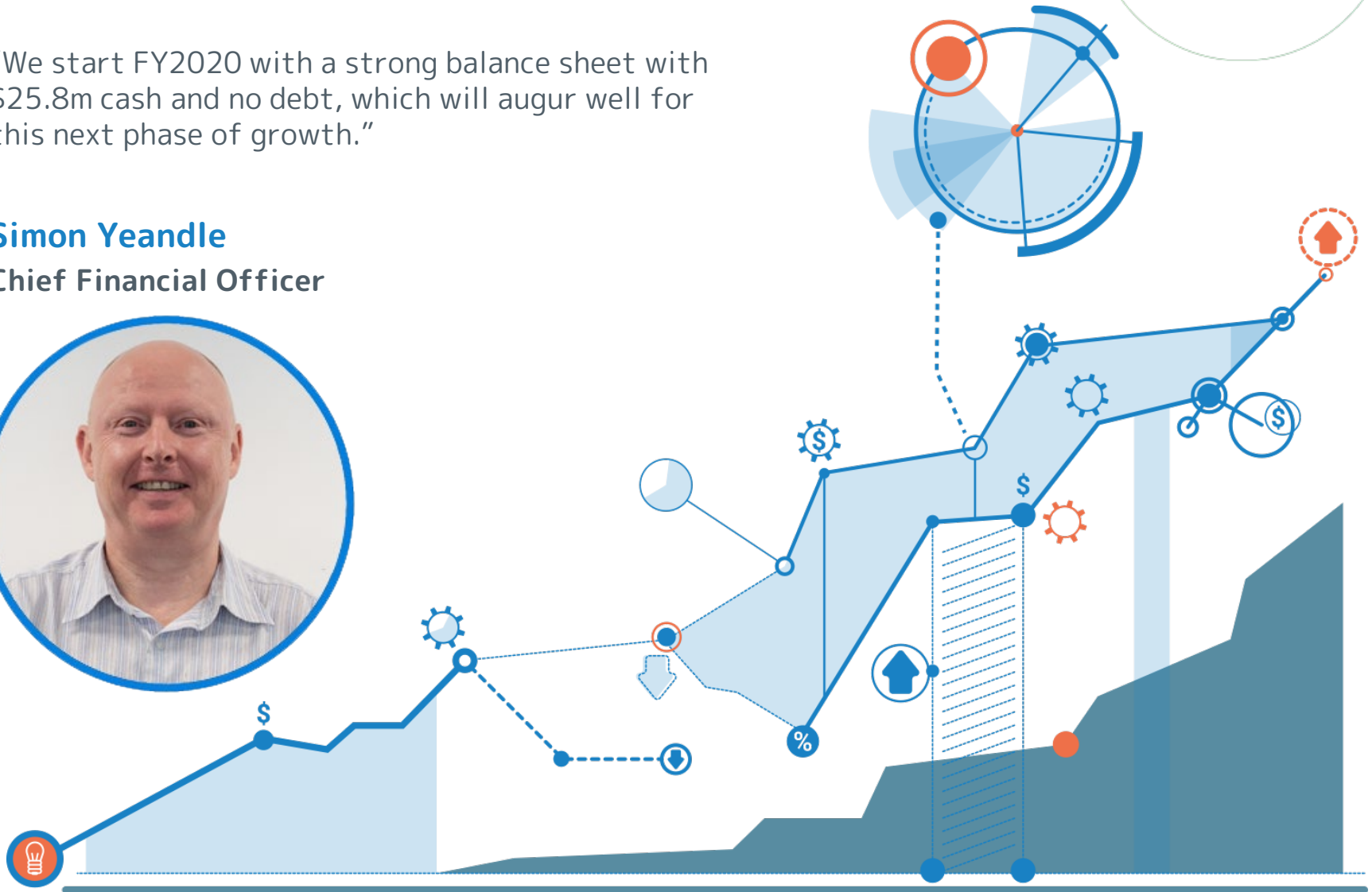
To our last strategic priority, 'globalising the business', we consolidated shared services like marketing, people and culture, technology and finance into global functions and we implemented global processes and systems to drive efficiency and effectiveness. We also reduced our real estate footprint and created 3 sales regions in APAC, Americas and EMEA. These actions generated significant savings which were in turn invested into our other strategic priorities.



20:22 3P Accelerate Growth

"We start FY2020 with a strong balance sheet with \$25.8m cash and no debt, which will augur well for this next phase of growth."

Simon Yeandle
Chief Financial Officer



Next 3 Year Strategy

What's our 20:22 Accelerate Growth plan?



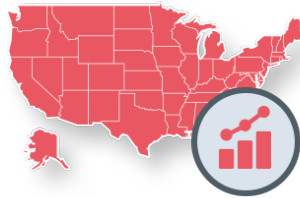
2020-2022 Accelerate profitable growth



Product and
customer expansion



Accelerate profitable
sales growth in the
Americas



Enhance customer
experience and
retention



A growth focussed,
high performance
culture



Having successfully laid a solid foundation, 3P is now poised to accelerate profitable growth.

Growth will come from all regions leveraging our expanded product portfolio and customer base, improved retention as well as accelerated profitable sales growth in the Americas where we have already seen 'green shoots' of sales acceleration.

These growth drivers will be underpinned by developing a growth focussed, high performance culture.

1) Leveraging our expanded product portfolio and customer base



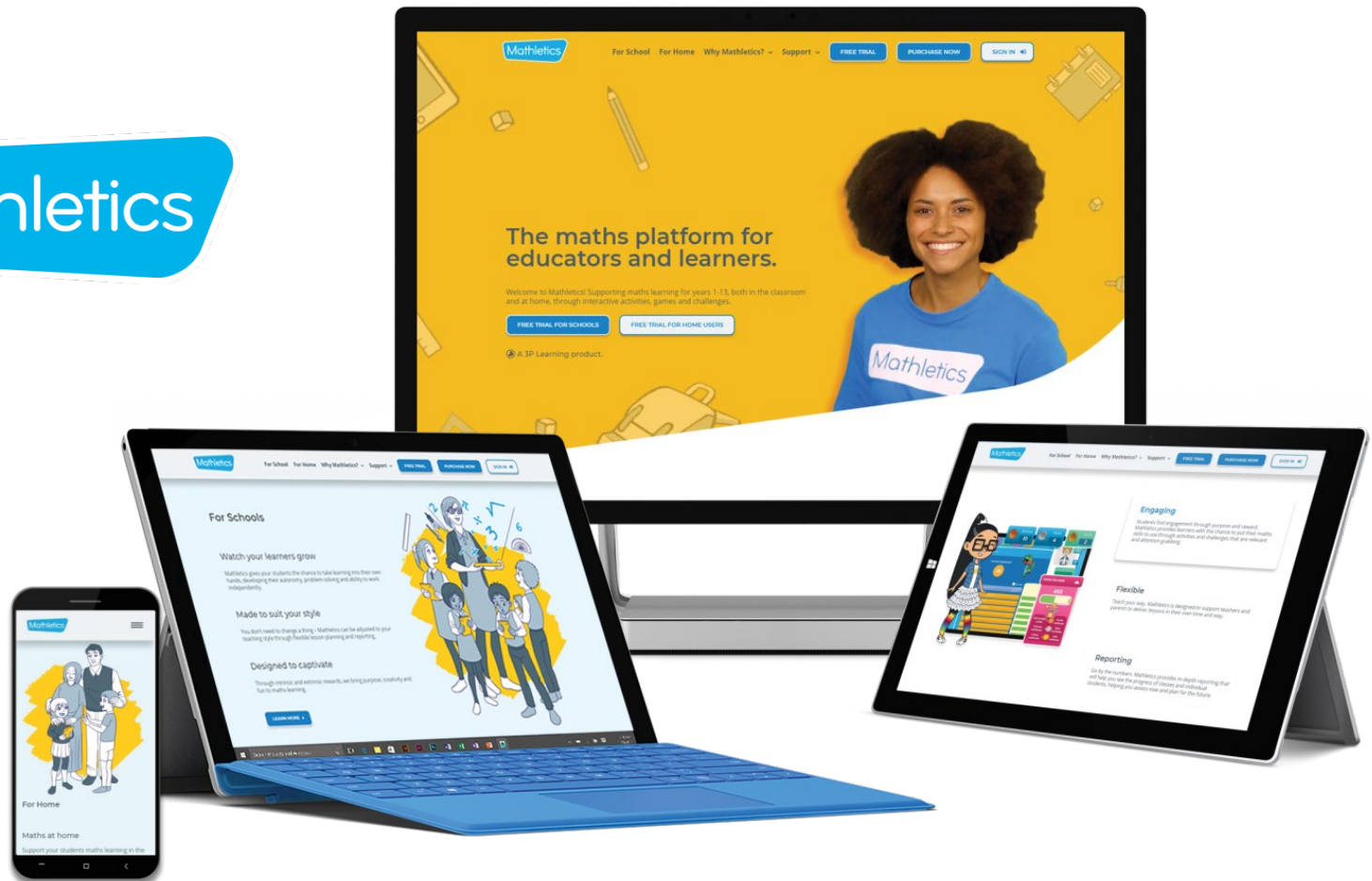
We enter FY20 with an expanded product portfolio spanning maths, literacy and science.



Mathletics



We will continue to invest in our flagship Mathletics brand to ensure it meets the evolving needs of a 21st century learning and teaching environment and to better address the opportunity in B2C and the secondary segment.



Mathletics



“Building upon our strong practise and fluency offering, we will introduce a range of deeper learning resources which will help build students for the 21st century. Mathletics will evolve to support learners to work collaboratively and solve problems.”

Allan Dougan
Global Head of Education



“Our focus on problem solving and reasoning will see us introduce an exciting range of technically-enhanced 21st century items, digital interactive manipulatives and instructional multimedia content over the next 12 months. These changes will see Mathletics solidify its K-6 position and importantly better address the secondary school opportunity.”

David Haberlah
Product Manager Mathletics



6M Model

“In parallel we’ll launch a learning model we co-authored with educators across the globe. We call it ‘The 6Ms Learning Framework’ – magnify, motivate, model, master and maintain. This framework will be embedded in our Mathletics and REDIwriter products and will provide teachers and students better navigation to get the best out of our products.”

Allan Dougan | Global Head of Education



Readiwriter



Our Readiwriter Spelling product will be launched with a 21st century learning and teaching environment as well as the 6M Learning Framework.



Literacy offering

“Radiwriter Spelling will replace our existing Spellodrome and over time the portfolio will include Radiwriter Writing. When combined with our already successful Reading Eggs and Wordflyer products, this will form a comprehensive literacy offering.”

Abhinaw Kumar
Product Manager



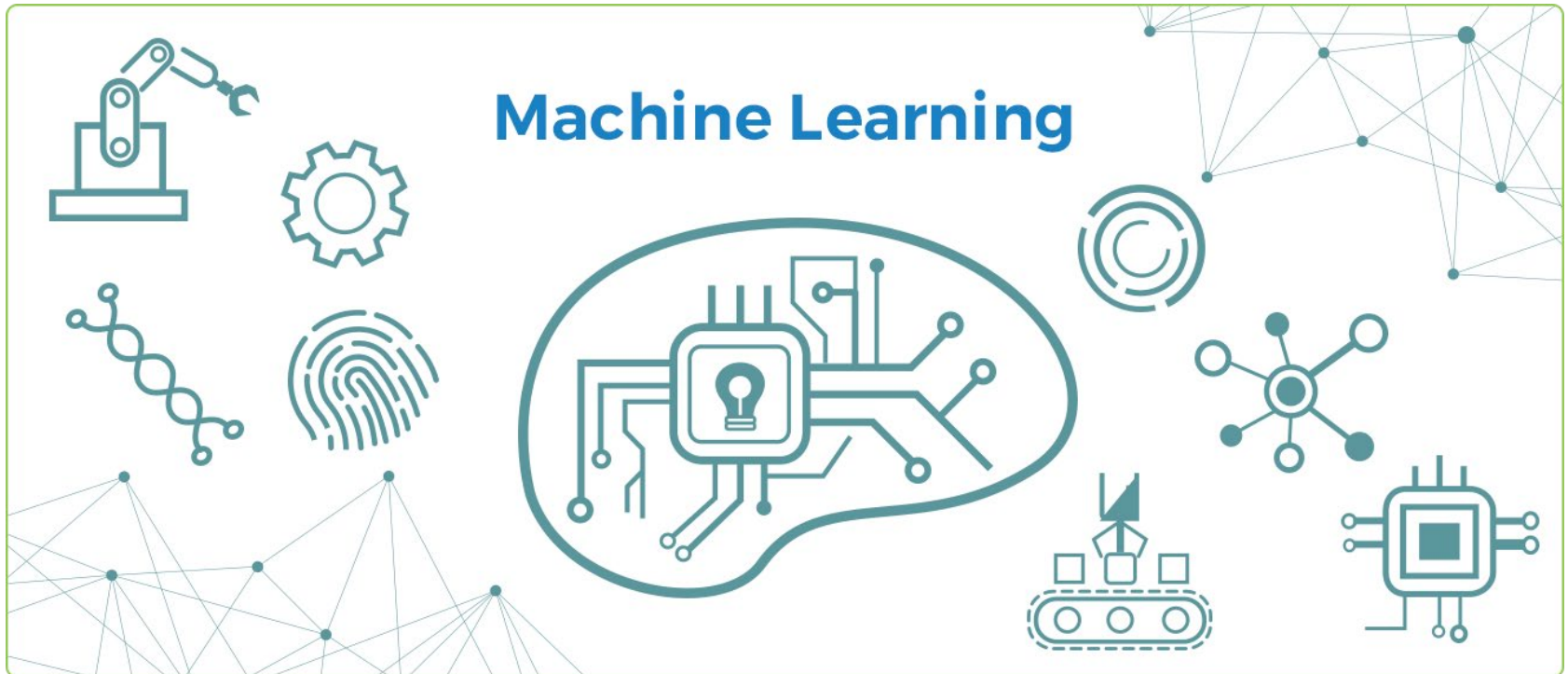
Machine Learning

We will also devote some of our innovation efforts to emerging areas like machine learning, where students are presented with true personalised learning pathways. We will do this through partnerships with industry leaders like Sana Labs, GeoGebra and others.



Sana Labs

GeoGebra



Teacher Focus



Even as technology evolves, our source of product differentiation will remain constant. We will continue to put the teacher at the heart of our products. We'll continue to focus on supporting teachers in the classroom, which includes creating highly engaging student experiences, in turn delivering confident teaching and learning experiences. That has been our source of difference from the very beginning and holds true today.



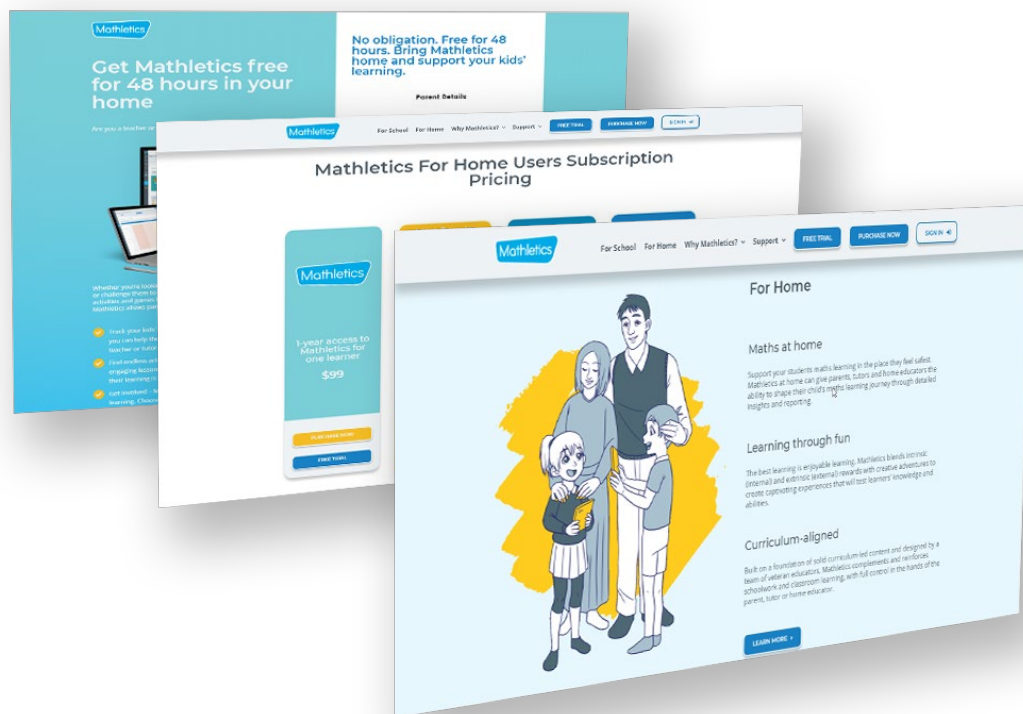
B2C



A new source of differentiation for 3P will be linking our products to the home, helping parents and caregivers support student growth. This new focus will be supported by our intent to leverage our **Mathletics** and **Readiwriter** products to build out a strong B2C product portfolio which will be sold through our renovated B2C customer experience. This will expand our product portfolio and customer base.

Mathletics

Readiwriter



In Product Sales Channel

“We’ll also greatly increase cross-sell and up-sell opportunities from within the product, creating the product as a sales channel and opening the door for customers to trial and purchase our entire suite autonomously.”

Angus Macaskill
Product Manager



Growth

In summary, by leveraging our expanded product portfolio we'll see our installed base and revenue per customer grow.



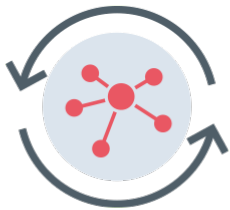
2) Accelerate growth in the Americas



Our 2nd strategic priority focusses on accelerating profitable sales growth in the Americas.

Now that we have reset our sales and marketing model, adapted our product to better suit the North American market, expanded the product offering as well as hired an experienced US sales team, we are poised to continue the strong sales growth we delivered in the latter part of FY19.

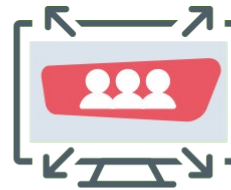
Reset our sales and marketing model



Adapted our product to better suit the Americas



Expanded our product offering



Hired an experienced US sales team

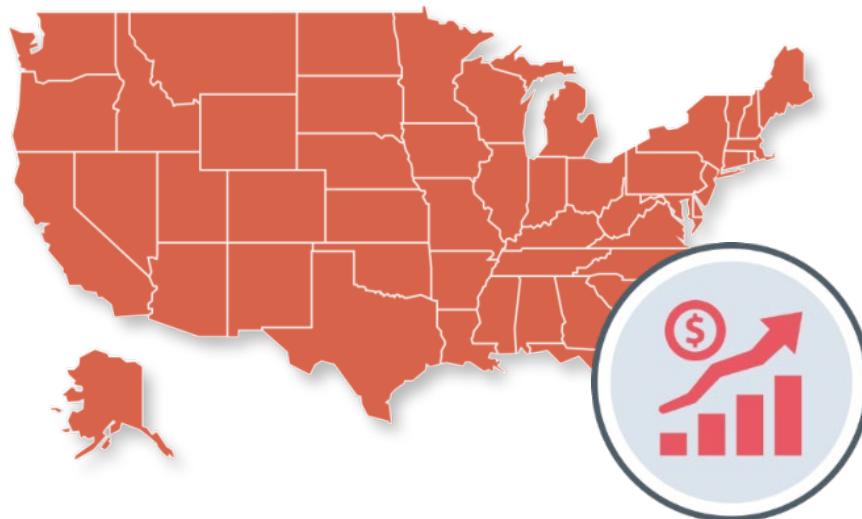


2) Accelerate growth in the Americas



"I'm feeling really good about our ability to continue to deliver the double-digit growth in the Americas that we saw at the end of FY19. Our combination of a comprehensive math solution and experience positions us well for a breakthrough year."

Deepak Karandikar
Head of Sales Americas



3) Customer experience and retention



The 3rd strategic priority to support our 20:22 Accelerate Growth Plan is to enhance the customer experience and retention.

“We all know that retaining customers is more cost effective and profitable than acquiring new customers. To improve our retention rates we’ll launch a new, automated digital trial process and leverage customer usage data from our products to trigger meaningful customer engagement across their life cycle.”

Todd Jones

Head of Global Sales Operations & Enablement



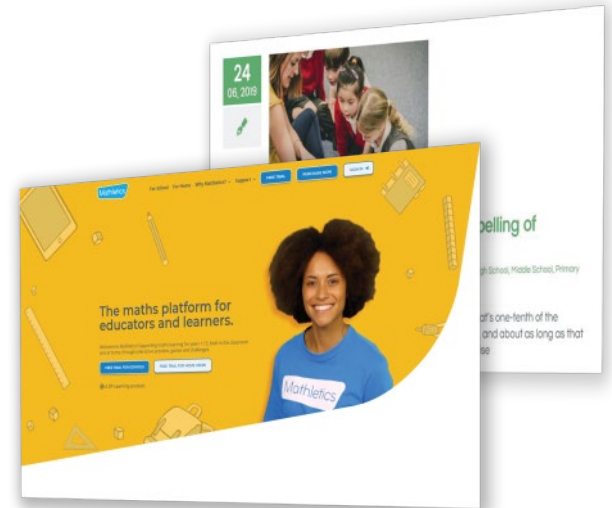
automated
messaging



sales
intervention

Branding

We will also continue to reposition our brand and our digital assets to drive more meaningful customer engagement.



Customer Engagement

“Like other successful SaaS brands, our marketing focus will be across each phase of the funnel. At the top of the funnel we’ll position the 3P brand as an educational thought leader and create a digital community where educators across the globe can connect with one another, including our own Education Team. They’ll share whitepapers, peer reviews, blogs and other valuable resources. We’ll nurture those interactions via digital channels and our internal sales people culminating in a product sale at the bottom of the funnel. And now with our expanded product portfolio we’ll have even more opportunity to engage with prospective and existing customers.”

Allan Fletcher

Head of Global Marketing and Digital Experience



Customer Engagement



20:22 3P Accelerate Growth Plan



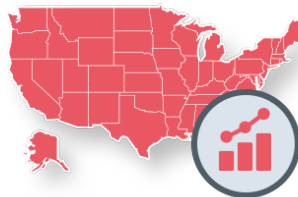
In summary, our 20:22 accelerate growth plan will be driven by leveraging our expanded product portfolio and customer base, accelerated profitable sales growth in the Americas, an enhanced customer experience and improvements in retention.

Underpinning all of this will be our continued emphasis on our people and the 3P culture.

Product and
customer expansion



Accelerate profitable
sales growth in the
Americas



Enhance customer
experience and
retention



A growth focussed,
high performance
culture



20:22 3P Accelerate Growth Plan



"We've developed our people internally through investment in learning and development and brought in new talent in critical areas such as digital, data and analytics, sales and product innovation. Coupled with that, every employee now has some of their remuneration tied to company performance, with a focus on revenue growth. The 3P team are ready and capable to enter our next phase of accelerated growth."

Tania Black
Chief People Officer



"We have a plan that can organically deliver accelerated growth and we are increasingly mindful of inorganic opportunities that could augment our growth."

Simon Yeandle
Chief Financial Officer



20:22 3P Accelerate Growth Plan



“So that’s a snapshot of the work we’ve done over the past 3 years to lay a really solid foundation for 3P to now accelerate sales growth across all three regions. Leveraging our expanded product portfolio and customer base, accelerating profitable sales growth in the Americas, enhancing the customer experience and improving retention are the three key levers for growth. And most importantly, we have the right team in place to execute the plan and realise our ambition to be a leading global SaaS K-12 education business”

Rebekah O’Flaherty
Chief Executive Officer



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