

3P Learning enters into Scheme Implementation Agreement (“SIA”)



Overview of SIA



- Overview**
- 3P Learning Limited (“3PL”) has entered into a Scheme Implementation Agreement (“SIA”) with IXL Learning, Inc. (“IXL”) and IXL Australia Pty Ltd (a wholly-owned subsidiary of IXL) (“IXL Australia”) under which IXL Australia will acquire 100% of the share capital of 3PL by way of a court-approved Scheme of Arrangement (the “Scheme”) in an all-cash offer
 - The 3PL Board of Directors unanimously recommend that 3PL shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Scheme is in the best interests of 3PL shareholders
- Consideration**
- Under the terms of the Scheme, each 3PL shareholder will receive cash consideration of \$1.35 for every 3P Learning share held
 - The consideration values 3PL’s equity at approximately \$189.0 million and an enterprise value “EV” of \$166.7 million¹, implying an EV / EBITDA multiple of 11.4x²
 - The Scheme Consideration of \$1.35 per share represents a premium of:
 - 23.3% to the last closing share price of \$1.10 (13-Aug-2020)
 - 32.3% to the 1-month VWAP³ of \$1.02
 - 45.0% to the 3-month VWAP of \$0.93
 - 54.1% to the 6-month VWAP of \$0.88
- Conditions**
- The implementation of the Scheme is subject to the approval of 3PL shareholders at a court-convened meeting (“Scheme Meeting”) and Court approval
 - The implementation of the Scheme is also subject to limited other customary conditions as described fully in the Scheme Implementation Agreement, including FIRB approval, no prescribed occurrences and no material adverse change
- Indicative Timetable**
- The Scheme is expected to be implemented by early December 2020 (see page 3 for a detailed indicative timetable)
- Next Steps**
- 3PL shareholders do not need to take any action at this time
 - A Scheme Booklet containing further detail on the Scheme will be prepared and provided to 3PL shareholders in due course

1. Implied equity value of \$189.0m based on Scheme Consideration of \$1.35 per share multiplied by current shares on issue of 139,484,170 and dilutive options (accounted for using the treasury stock method) and unlisted performance rights of 489,079. Enterprise value includes reported net cash of \$22.2 million as at 30 June 2020
2. Based on FY20 EBITDA of \$14.6 million
3. Volume Weighted Average Price as at 13 August 2020

Indicative Timetable and Conditions



Indicative Timetable (unless extended)

| Step | Event | Timing |
|------|---|---------------------------|
| 1 | Scheme Booklet to be provided to 3PL shareholders | Early to mid October 2020 |
| 2 | Scheme Meeting | Mid November 2020 |
| 3 | Effective Date | Late November 2020 |
| 4 | Scheme Record Date | Late November 2020 |
| 5 | Implementation Date and delisting of 3PL | Early December 2020 |