



Keypath Education

JUNE QUARTER 2021 PRESENTATION



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Today's presenters



- Founded Keypath in 2014
- Over 25 years of experience in higher education
- Specialises in guiding universities to reach their full growth potential
- Previously partnered with some of the world's top institutions to help universities better serve the next generation of students
- Previous experience includes CEO of Embanet, which sold to Pearson Education in 2012



- Over 30 years of experience as a proven finance leader for both public and privately-owned organisations
- Primary background in software, technology and manufacturing
- Successful experience guiding business through transformative growth and value creation opportunities
- Previous experience includes CFO at BravoSolution, Avatar Solutions and Servigistics

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Introduction to Keypath Education

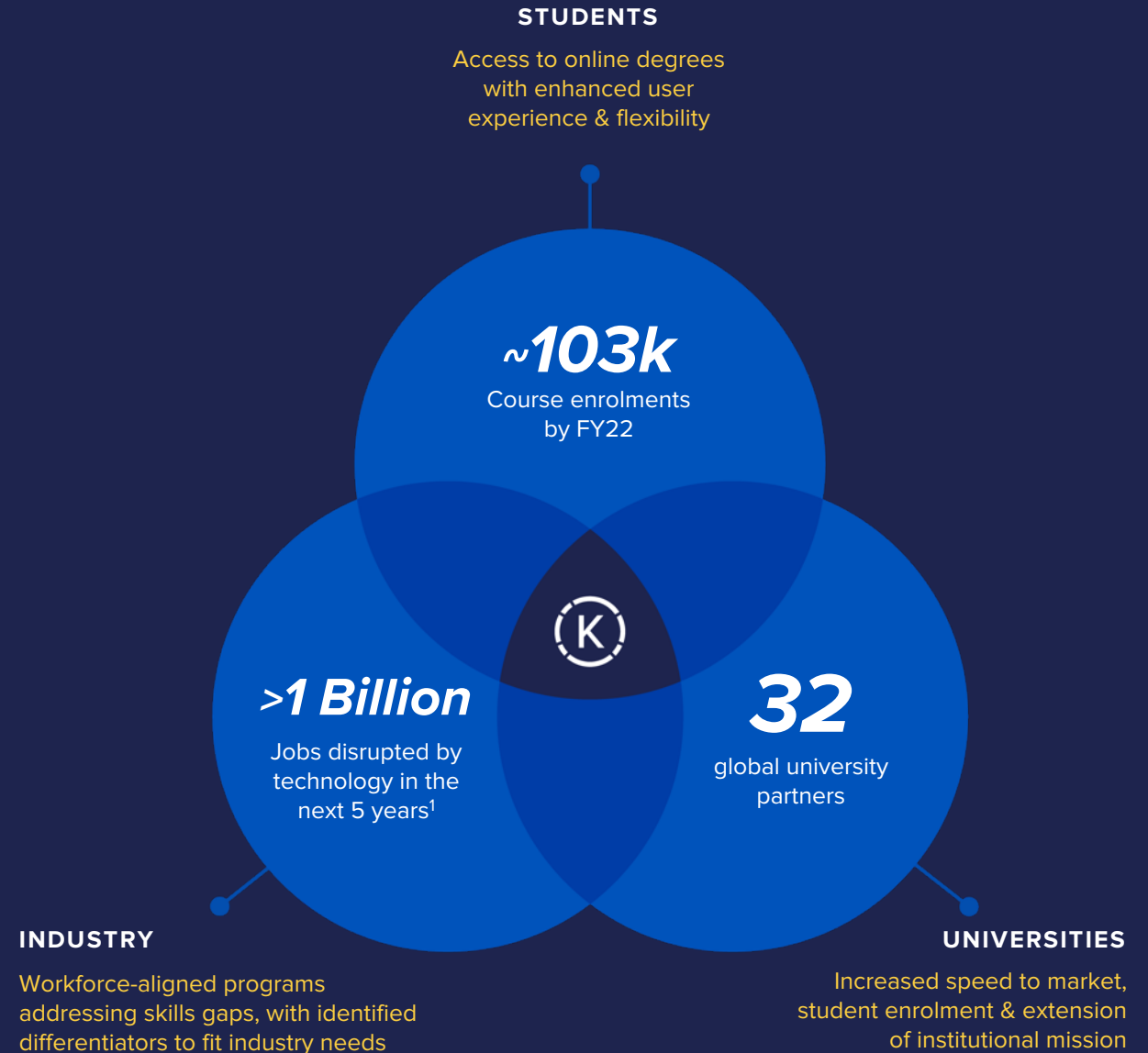
The OPM Industry

Business Overview

Financial Performance

Keypath Education

We are a leading global education technology company enabling universities to grow students and deliver education online.



(1)) World Economic Forum, Future of Jobs Report 2020

Keypath at a Glance

Both the future of work and education are experiencing unprecedented change

1

Large and attractive market opportunity

- OPM market expected to grow at 19% within the US\$2T+ global higher education market¹
- Identified growth opportunities in markets and disciplines that are aligned to global skills shortages

2

Global footprint powered by *KeypathEDGE* tech and data platform

- Global footprint and data give us competitive advantage – market leader in Australia, early mover in SE Asia
- Data insights (1 million+ leads², 30,000+ students, 140 programs)
- Predicting markets, customer behaviour and student experience, driving all investment decisions and delivering strong outcomes for students, partners, and Keypath

3

Attractive unit economic model and high degree of revenue visibility

- Targeting 40-60% contribution margin at steady state
- Long-term contracts, typically 7-10 years
- 91% of FY20 revenue is from contracts expiring in 2024 and beyond

(1) 2020-2025E OPM market size CAGR of 19%; Source: "Global Online Degree and Micro-Credential Market", HolonIQ, March 2021; (2) A lead is a record of an individual who has voluntarily provided their information (name and email at minimum) to indicate interest in one of the programs Keypath markets

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The OPM Industry

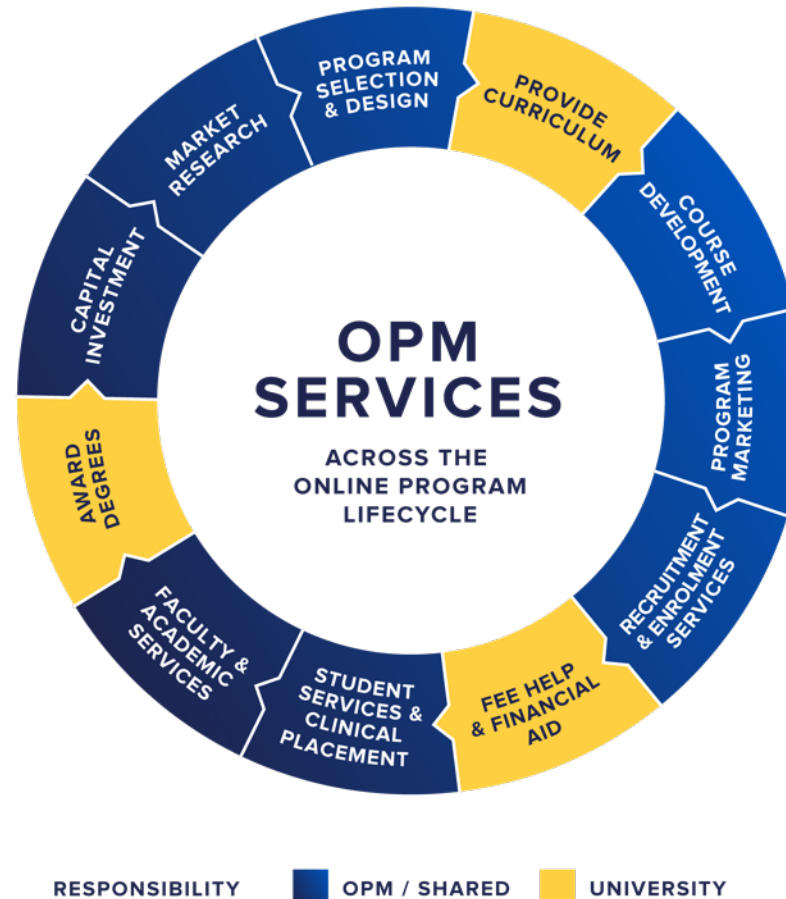
Business Overview

Financial Performance

What is OPM (Online Program Management)?

OPM providers offer a set of services and commercial model to assist universities to build and launch online programs in a faster and more effective manner than it may take universities to develop them in-house

- Universities typically own and are responsible for the academic content
- OPM providers work with the university to design the delivery of that content through an online format
- Each program design is bespoke to the university partner including branding of the program



COMPETITIVE LANDSCAPE

Wide global footprint with a market leading position in Australia. Keypath has partnered with as many universities since 2014 as all of its competitors combined in Australia¹



Key competitors with large customer base and/or global footprint



(1) HolonIQ Education Market Intelligence Platform, accessed 1 March 2021

Why Universities need OPM and Keypath

Both the future of work and education are experiencing unprecedented change



Accelerating skills imbalance

More than **one billion jobs** are expected to be disrupted by technology in the next 5 years, requiring modern, scalable education solutions¹



University operating model

Significant lead time and investment in new program launch causing higher education providers to revisit approach, turning to OPMs for assistance



Acceptance of online learning

Accelerating shift to digital learning underscored by large addressable market – online education represents just **2% of the total higher education market**²



Lack of partner expertise in digital

Higher education providers can lack digital expertise – driving the need for seasoned partners to assist with program development, marketing & recruitment



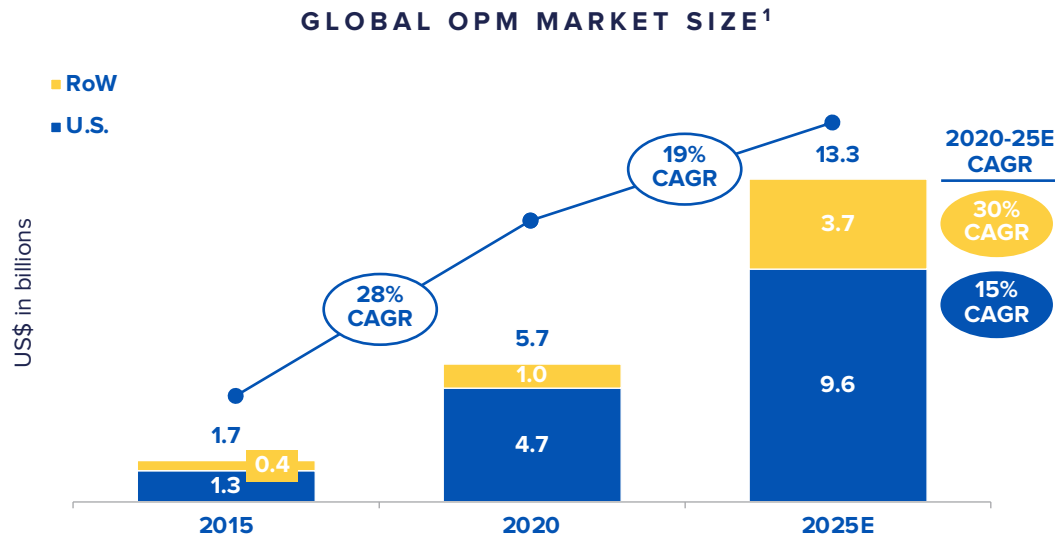
Limited campus & faculty capacity

Universities will need to adopt scalable learning models to absorb the **additional 180M students** entering higher education over the next decade³

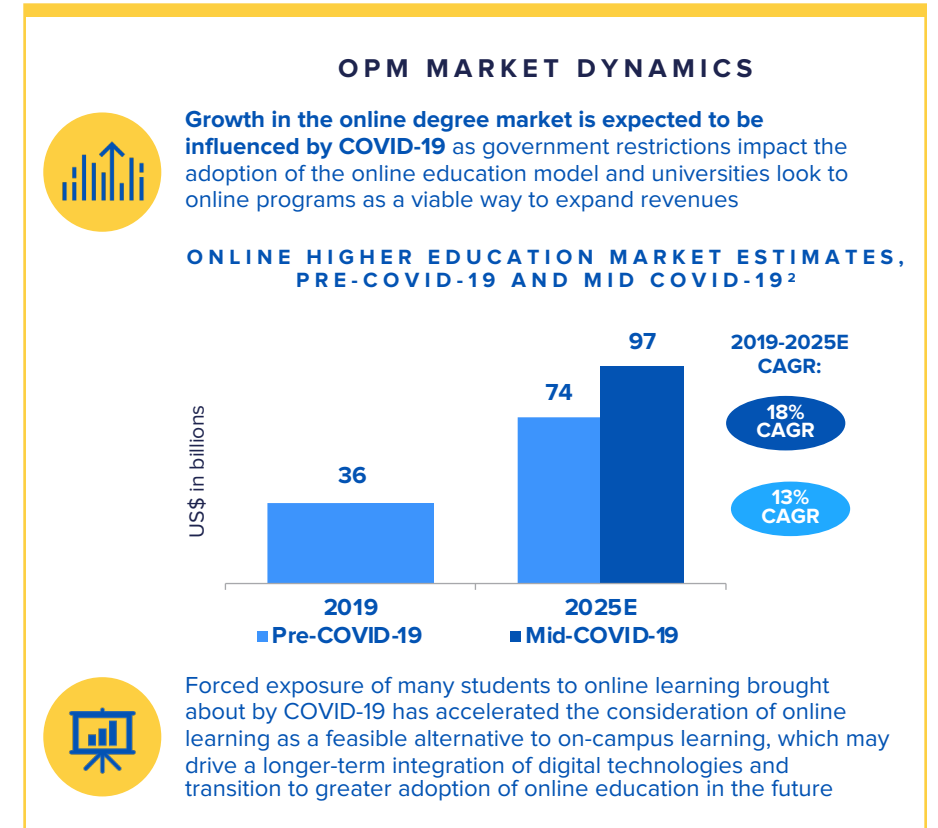
(1) World Economic Forum (October 2020); (2) Holon IQ, Online Degree Market Size (April 2020); (3) ICEF Monitor, Global Higher Education Growth Through 2040 (October 2018)

OPM – A Large and Growing Market

Underscored by favourable industry trends



With a 2020-2025E CAGR of 30%, growth in the RoW OPM market is expected to significantly outpace that of the US OPM market



(1) "Global Online Degree and Micro-Credential Market", HolonIQ, March 2021; (2) HolonIQ estimates; 'Pre-COVID' published May 2020; 'Mid-COVID' published March 2021. Source: "Global Online Degree and Micro-Credential Market", HolonIQ, March 2021

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University Partnerships

Keypath's purpose is to transform education by delivering programs that meet the needs of the future of work, and help solve our global, social and economic challenges.

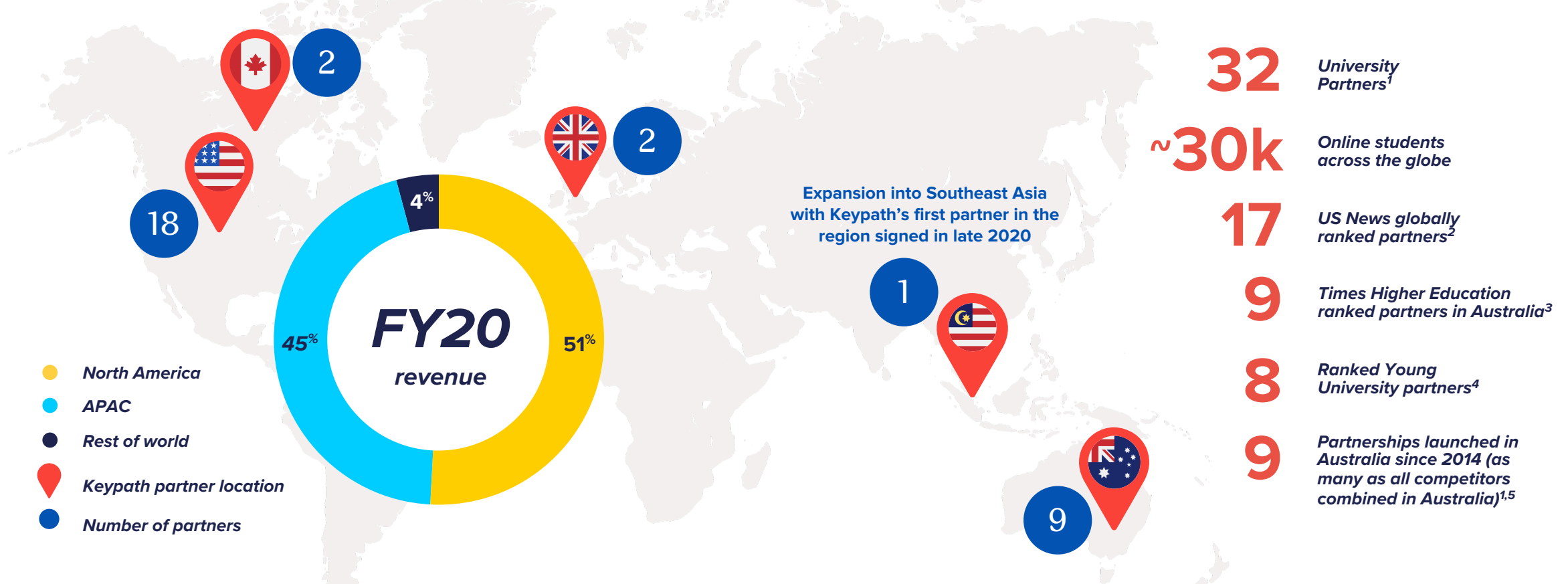
Powered by our technology, data platform and employees, we partner with universities to deliver online programs, enabling working professionals to up-skill or re-skill to prepare them for the future of work.



End-to-End Student Lifecycle Support Powered by *KeypathEDGE*

Global Footprint with Australian Nexus

Keypath is a leading global OPM provider and partners with a diverse set of globally ranked universities



Note: Revenue split based FY20 revenue, North America comprises the US and Canada, Rest of World comprises the United Kingdom and APAC revenue historically comprises Australia, however Keypath signed its first Malaysian partner in late 2020 and has launched marketing for this program in July 2021; (1) Active as of June 2021; (2) 2021 Global University Rankings published by U.S. News & World Report L.P. in October 2020; (3) The Times Higher Education University Rankings 2021 from Times Higher Education World University Rankings published by THE World Universities Insights Limited in June 2020; (4) The Times Higher Education Young University Rankings 2020 from Times Higher Education World University Rankings published by THE World Universities Insights Limited in June 2020; (5) HolonIQ Education Market Intelligence Platform

Proprietary, Scalable and End-to-End Tech Platform



KEYPATHEDGE

Drawing from data accumulated from its 140 online programs, ~30,000+ students and over one million leads⁽¹⁾, *KeypathEDGE* is the integrated technology and data platform that underpins Keypath's ability to launch successful partnerships and programs, and acquire and retain students.

(1) A lead is a record of an individual who has voluntarily provided their information (name and email at minimum) to indicate interest in one of the programs Keypath markets

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June Quarter Update

- Listed on the Australian Securities Exchange (ASX) on 2 June 2021
- Continued growth in Course enrolment (up ~8% compared to Prospectus estimate of 79,000)
 - strong student retention and the launch of new programs in key disciplines
- Strong student demand across all key disciplines
 - especially in clinical disciplines such as nursing, counselling and social work
 - continue to increase capacity to meet this demand
- 6 new programs signed since the date of the Prospectus
 - covered most of Keypath's markets including the U.S., Canada, Australia and Malaysia
 - continue to explore further opportunities in Southeast Asia
- Employees increased by 149 from FY20 to FY21, primarily in the U.S. and Australian markets
 - 50 employees added in Q4

Unaudited Revenue and Cash Flow

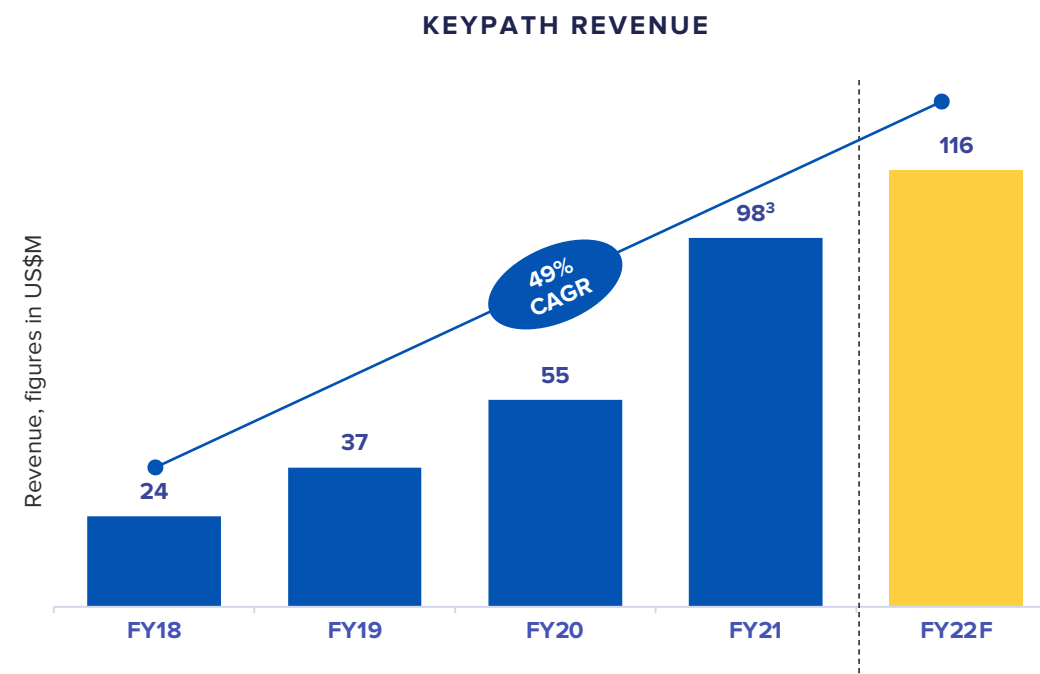
- FY21 revenue of US\$98.1 million (+77% on FY20) exceeds prospectus forecast of US\$91.0 million and guidance update on 15 June of US\$94-\$96 million
- When adjusting for foreign exchange impacts⁽¹⁾, revenue increased 67% on FY20 and US\$5.1 million vs. the Prospectus
- Total cash on hand at 30 June 2021 was US\$67.5 million
- Net cash used in operations in Q4 was US\$9.0 million,
 - Employee costs and direct marketing required to procure, develop and manage new programs ahead of their launch
- Net cash used in investing activities in Q4 was US\$1.3 million,
 - Capitalised value of employee and contractor costs directly involved in the development of programs and eligible for capitalisation under U.S. GAAP
- Net cash raised from the IPO was US\$67.5 million

(1) The comparisons at constant currency rates (foreign exchange) reflect comparative local currency balances at prior period's/prospectus' foreign exchange rates. This measure provides information on the change in Revenue assuming that foreign currency exchange rates have not changed between the prior period/prospectus and the current period. Management believes the use of this measure aids in the understanding of changes in Revenue without the impact of foreign currency.

Keypath Financial Snapshot

Keypath has a track record of growth, underpinned by its scalable business model

- 1 Average weighted contract length of 8.8 years, with **91% of FY20 revenue from contracts expiring in 2024 and beyond¹**
- 2 **Strong revenue from existing vintages²** – FY20 and prior vintages comprise 90% and 70% of FY21 and FY22F revenue, respectively
- 3 **Revenue growth from prior vintages** – 142% between FY18 and FY20 for FY18 vintage and 346% FY19-FY20 growth for FY19 vintage
- 4 **Recent momentum sets the stage for upcoming growth**



(1) Weighted by FY20 revenue; (2) Vintage year or vintage cohort refers to the fiscal year when first student intake occurred for any given program. For example, if a program commences on 1 July 2018, it will be classified as an FY19 vintage. Fiscal years is from 1 July to 30 June; (3) FY21 revenue includes the recognition (in accordance with Keypath's accounting policies) of approximately US\$2.6m as revenue representing a mutually agreed fee to be paid to Keypath for transition services to assist a partner to take its programs in-house (for the partner). Keypath will continue to earn its share of tuition fees through to FY24 from these programs for existing students at the date of transition, at which point Keypath's management of the programs will end

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