



Keypath Education

First Quarter FY22 Presentation



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Today's presenters



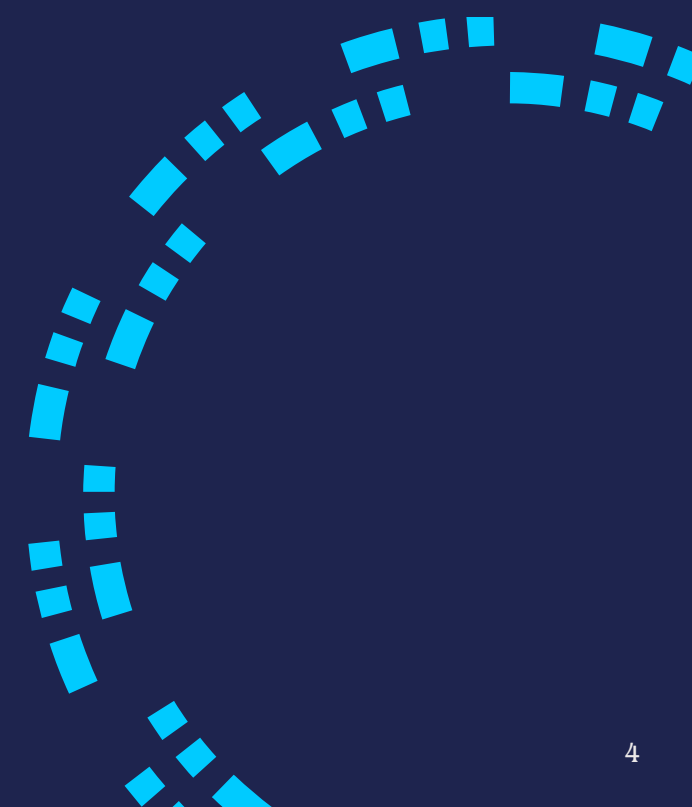
- Founded Keypath in 2014
- Over 25 years of experience in higher education
- Specialises in guiding universities to reach their full growth potential
- Previously partnered with some of the world's top institutions to help universities better serve the next generation of students
- Previous experience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

PRESENTATION AGENDA

- 1 Introduction to Keypath Education
- 2 Q1 FY22 Highlights



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Introduction to Keypath Education



Q1 FY22 operational and financial highlights

Continued strong growth across all key metrics

FIGURES IN USD (\$M) UNLESS SPECIFIED



(1) Active programs refers to degree-granting programs for which a term sheet has been signed as of the respective date and excludes discontinued programs;

(2) Includes estimates for enrollments pending invoicing;

(3) Contribution margin is revenue less direct costs, which consists of salaries and wages, direct marketing and general & administrative expenses attributable to direct departments. Contribution margin is used to monitor and evaluate an individual program's financial performance relative to planned performance targets over the whole-of-life of the program. Contribution margin is not a US GAAP based measure.

(4) Adjusted EBITDA is earnings before interest, tax, depreciation and amortization excluding stock-based compensation. Adjusted EBITDA is not a US GAAP based measure. Note that reported EBITDA for Q1 FY22 was US(\$3.0) million as compared to US\$2.5 million in Q1 FY21. Q1 FY22 adjustments to reported EBITDA include US\$3.6 million of one-time stock-based compensation and long-term incentive plan cash awards and US\$0.5 million of ongoing stock-based compensation. There was no stock-based compensation in Q1 FY21.



Our Vision

Transform education, transform the world.

OUR ULTIMATE GOAL

At Keypath, we believe that education has the power to change the world.

As a global EdTech company, our vision is to be a leader in education transformation – the key that unlocks greatness in educators and individuals.

By transforming education, together we can transform the world.

Keypath at a glance

Both the future of work and education are experiencing unprecedented change

- 1 **Online education experiencing transformational growth**
- 2 **University and program expansion continues**
- 3 **Attractive unit economic model and high degree of revenue visibility**

Global footprint

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

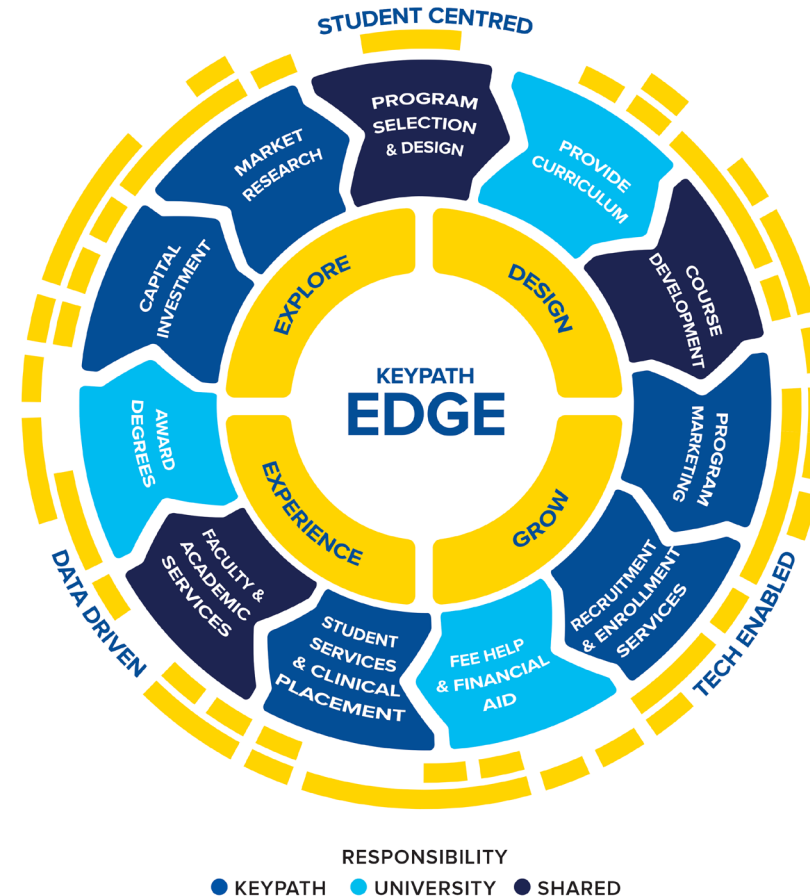


(1) Active as of October 2021; (2) 2021 Global University Rankings published by U.S. News & World Report L.P. in October 2020; (3) The Times Higher Education University Rankings 2021 from Times Higher Education World University Rankings published by THE World Universities Insights Limited in June 2020; (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

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



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)

Proprietary, Scalable and End-to-End Tech Platform



EXPLORE

Predictive Analytics & Market Assessment

Data analysis to assess market opportunities globally



EXPERIENCE

Student Experience

Data-driven customer experience design to support and optimize the learning experience



DESIGN

Program Design & Development

Leading learning programs seeking to deliver on skills gaps and exceed student expectations



GROW

Program Marketing & Student Recruitment

Agile & scalable marketing, recruitment & placement systems. Based on predictive analytics



KEYPATHEDGE

Drawing from data accumulated from its 140 online programs, *KeyPathEDGE* is the integrated technology and data platform that underpins Keypath's ability to launch successful partnerships and programs and acquire and retain students.

Unit economic model

Keypath continues to target program contribution margin in the 40-60% range

ILLUSTRATIVE TARGET PROGRAM UNIT ECONOMICS



Note: The diagram above is an illustrative example only and not representative of any particular online program facilitated by Keypath. It is possible that Keypath's university partners' online programs may not perform in accordance with the illustrative diagram above. The diagram has not been drawn to scale; Contribution margin is revenue less direct costs, which consists of salaries and wages and general and administration expenses attributable to direct departments, and direct marketing. Contribution margin is not a US GAAP based measure. It is used by Keypath to monitor and evaluate individual program's financial performance relative to planned performance targets over the whole-of-life of the program. Contribution margin is not a replacement for the financial performance of the Company as a whole as determined in accordance with US GAAP;

(1) Keypath's revenue share varies by university partner, program offering and the Keypath services being provided for the program, but is generally between 40-60% of the tuition fees from students enrolled under the program

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Q1 FY22 Highlights

Q1 FY22 financial update

- Q1 FY22 revenue of US\$30.4 million (+40.8% on Q1 FY21)
 - When adjusting for foreign exchange impacts⁽¹⁾, revenue increased 38.5% on Q1 FY21
- Q1 FY22 contribution margin improved by 42.4% to US\$8.9 million; adjusted EBITDA of \$1.1M
 - Despite the FY21 and FY22 vintages being the largest vintages in the history of the Company, in terms of size and investment, and these vintages being in the net cash outflow stage of their lifecycle
 - Adjusted EBITDA is positive despite the above and incremental public company costs, system investments and start-up costs for our Southeast Asia operation
- Total cash on hand at September 30, 2021 was US\$63.9 million (no debt)
- Net cash used in operations in Q1 FY22 was US\$1.9 million
 - Reflecting the timing of employee costs and direct marketing required to procure, develop and manage new programs ahead of their launch
 - Note that approximately US\$3.3 million of bonuses related to FY21 were paid in the current quarter
- Net cash used in investing activities in Q1 FY22 was US\$1.0 million
 - Capitalized value of employee and contractor costs directly involved in the development of programs and eligible for capitalization under US GAAP
- There were no financing activities in the quarter

(1) The comparisons at constant currency rates (foreign exchange) reflect comparative local currency balances at prior period's 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 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.

FY22 YTD summary

- Two new partners and seven new programs have been added since September 30, 2021
- Our first program in Malaysia launches in October; marketing and recruitment activities are underway and meeting expectations
- Revenue, contribution margin and adjusted EBITDA are pacing ahead of expectations
- We remain confident in achieving our prospectus forecast for FY22¹

(1) FY22 prospectus forecast: revenue US\$116.4 million, contribution margin US\$18.1 million (or 15.5%) and adjusted EBITDA US\$11.6 million.

Q&A



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