



H1 FY22 Results Presentation

February 14, 2022



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Today's presenters

**Steve
Fireng**

FOUNDER,
GLOBAL CHIEF
EXECUTIVE OFFICER



- Founded Keypath in 2014
- Over 25 years of experience in higher education
- Specializes 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

**Peter
Vlerick**

CHIEF FINANCIAL
OFFICER



- Over 30 years of experience as a proven finance leader for both public and privately-owned organizations
- 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

**Ryan
O'Hare**

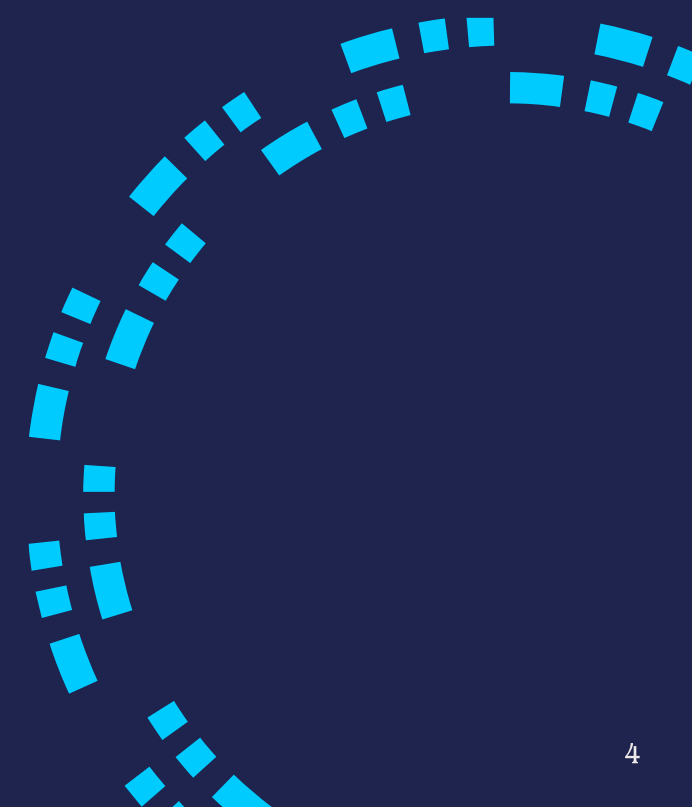
CEO, AUSTRALIA
& ASIA-PAC



- Founded Keypath Australia in 2014
- Over 20 years of experience leading and scaling businesses in the education sector
- Has built successful teams and models across the UK, USA, Australia and Asia-Pacific
- Pioneered the Online Program Management (OPM) industry in Australia a decade ago
- Previous experience includes leadership roles at Achieve Global Australia and Pearson Asia-Pacific

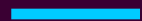
PRESENTATION AGENDA

1. Introduction to Keypath Education
 2. H1 FY22 Highlights
 3. FY22 Progress and Outlook
-
- A. Appendix: Financial Statements



1

Introduction to Keypath Education



A leading global education technology company

Enabling universities to grow students and deliver education online

Driven by our vision and mission

In a huge and growing market²

STRATEGIC VISION

**Transform education,
transform the world**

To be the global leader in education transformation – the key that unlocks greatness in educators and individuals

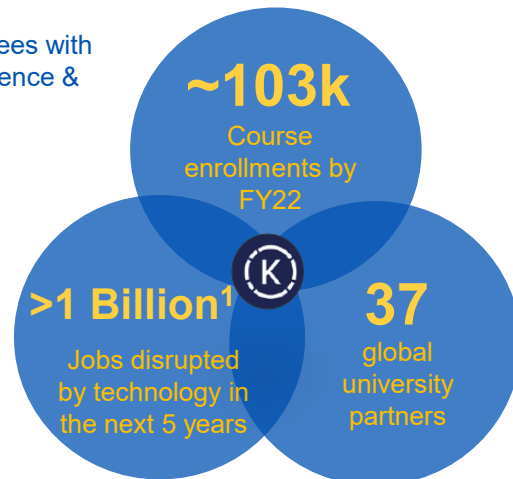
COMPANY MISSION

Unlock greatness

In educators | In individuals | In our people

STUDENTS

Access to online degrees with enhanced user experience & flexibility

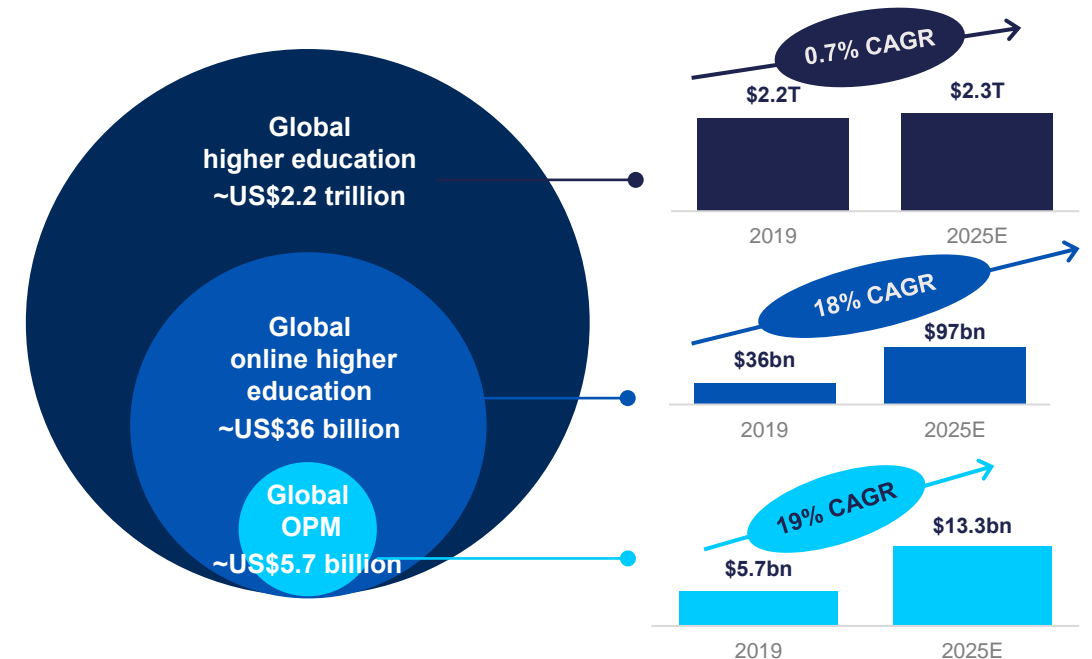


INDUSTRY

Workforce-aligned programs addressing skills gaps, with identified differentiators to fit industry needs

UNIVERSITIES

Increased speed to market, student enrollment & extension of institutional mission



SIZE

Global OPM market
US\$5.7bn

GROWTH

19% CAGR to 2025E

ONLINE PENETRATION

Currently 2%, expected to move towards 5% in 2025

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

(2) 2019-2025E OPM market size CAGR of 19%; Source: "Global Online Degree and Micro-Credential Market", HolonIQ, March 2021. Online penetration is Global online higher education as a percentage of Global higher education.

Unique competitive strengths

Clearly differentiating Keypath's offering

Market pioneering leadership



Management team who **pioneered the OPM market in the US and Australia** with over 100 years of combined education sector experience

Global footprint



Global footprint enables continued strong growth with benefits of diversification; OPM market growing the fastest outside the US

Enterprise agreements to expand our programs across universities in new verticals

Experts in high demand degree verticals



We are **global leaders and experts** in our large, complex, in demand and fast-growing verticals (e.g. Healthcare and STEM)

Unrivaled proprietary technology



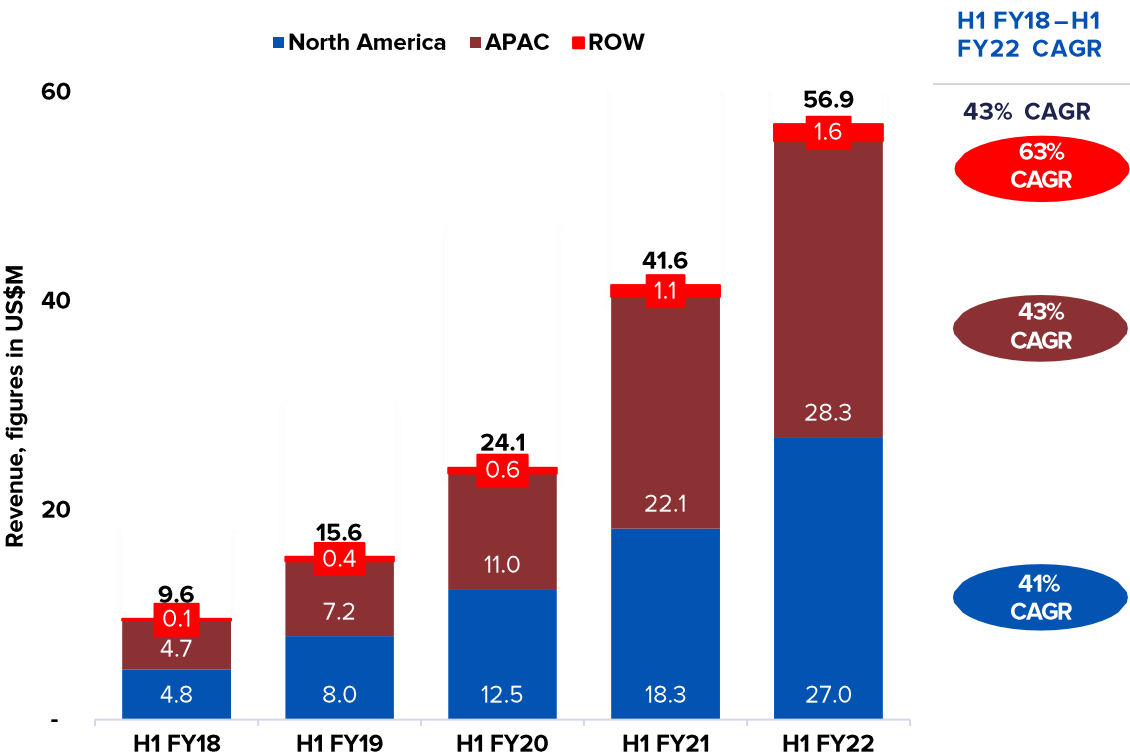
Optimized skills shortage identification and program delivery through Keypath EDGE driven by **data from 166 online programs and over 1 million leads in Keypath's global history**, and augmented by leading workforce, industry, education, government and marketing data and analytics platforms

Driving financial performance

Strong, diversified, highly visible revenue growth

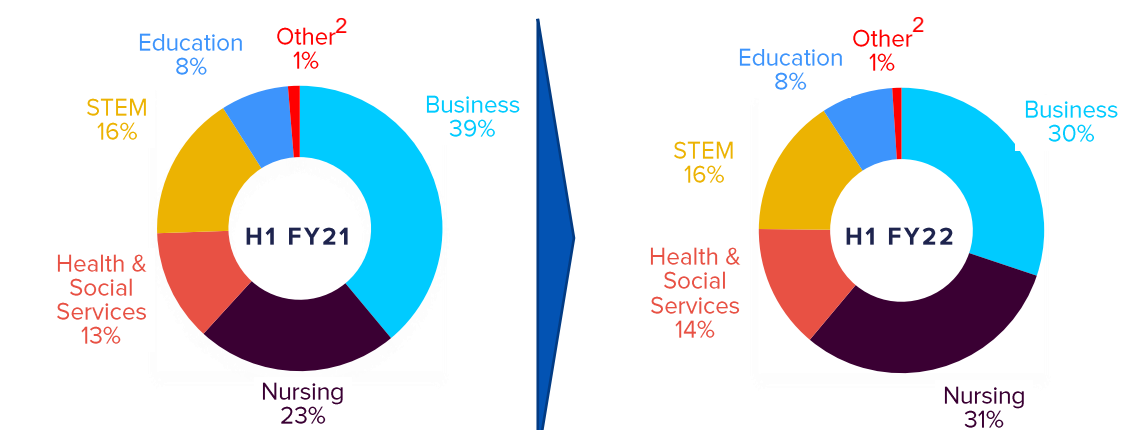
Global diversification with high growth rates

REVENUE BY GEOGRAPHY¹

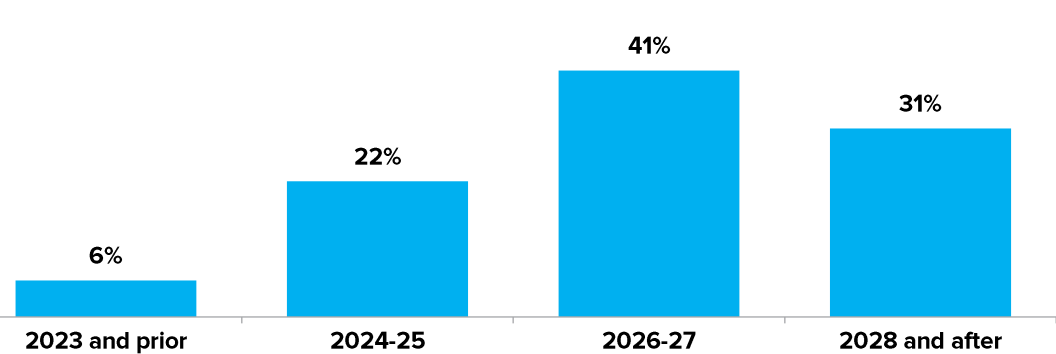


Vertical diversification with high revenue visibility

REVENUE SPLIT BY VERTICAL



FY21 REVENUE DISTRIBUTED BY CONTRACT TERM EXPIRATION³



(1) North America region includes the United States and Canada. Asia-Pacific Countries (APAC) region currently includes Australia, Malaysia and Singapore. The Malaysian business commenced operations during the year ended June 30, 2021 but did not earn any revenue in FY21 and earned insignificant revenue in H1 FY22. We have signed the first agreement with our partner in Singapore, expecting to generate revenue in FY23. The Rest of World includes the United Kingdom.

(2) Other primarily includes law.
(3) Dates referenced are calendar year.

Multiple strategies for further growth

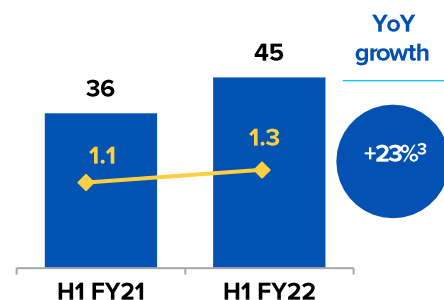
Powered by KeypathEDGE



Grow enrollments within existing portfolio

Data-driven approach to growing enrollments through EDGE platform in **166 active programs¹**

STUDENT COURSE ENROLLMENTS AND REVENUE PER ENROLLMENT OVER TIME



— Revenue per enrollment (US\$M)
■ Course enrollments ('000s)

(1) As of December 2021.

(2) Figures shown as at end of period indicated.

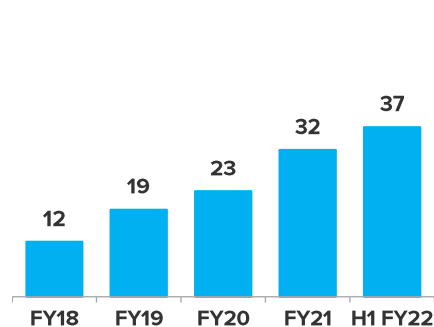
(3) Reflects real change based on whole numbers not rounded.



Sign new university partners in existing markets

Continued growth of university partners in existing markets; **five new partners in 1H FY22**

NUMBER OF PARTNERS²



Add new programs with existing university partners

Launching new programs with existing partners

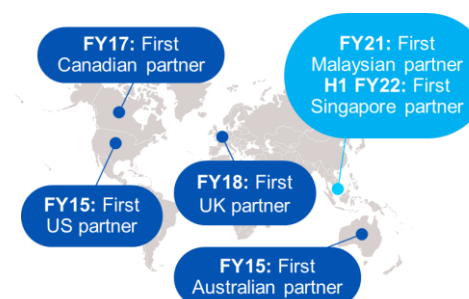
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New programs with existing partners added in H1 FY22 (45% of the new programs added in 1H FY22)



Expand into new markets

Drive expansion into new markets, notably South-East Asia with Malaysia and Singapore launch and signing



Execute targeted mergers and acquisitions

Continue to pursue targeted M&A, assessing opportunities based on market expansion, strategic relevance and value-creation



With a focus on Healthcare

Experts in the highly attractive Healthcare vertical

Compelling Healthcare vertical opportunity



US\$12 billion global online healthcare education market with US Healthcare masters degree market enrollments CAGR of 6.6% since 2012¹

Global shortage of 6 million nurses by 2030²; 9 of the top 20 fastest growing professions in the US are in healthcare³

US\$12bn

Global online healthcare education market size in 2025⁴

55%

Growth in ABSN (Nursing) enrollment⁵

18m

Global shortage of health workers by 2030²

21%

Growth in Google search demand within healthcare and social science since 2018⁷

Keypath's global competitive advantage in Healthcare



Keypath is of the **largest OPM healthcare providers** globally

Build once, launch globally: leverage in house expertise to launch highly complex programs in new geographies tailored to specific local needs / markets

Develop deeper local employer relationships and placement services globally; Keypath has **leading clinical field expertise**

22

Partners with healthcare⁶ programs (15 of which have Student Placement services)

88

Healthcare⁶ programs

74%

Growth in Keypath Healthcare⁶ revenue H1 FY22 vs H1 FY21

14,000+

Clinical and field placement relationships

~330

US Healthcare systems

45%

H1 FY22 Keypath Healthcare⁶ revenue as % of total

(1) Wiley Education Services (2021). State of the education market: Trends and insights in key master's disciplines.

(2) World Health Organization.

(3) World Economic Forum.

(4) Source: HolonIQ. Estimate assuming healthcare is approximately 10% of the overall global online and alt cred education market. Healthcare spending accounted for ~10% of total GDP globally and graduate education in healthcare accounted for ~16% of total graduate education in the U.S.

(5) 2020-2021 AACN Enrollment & Graduations in Baccalaureate and Graduate Programs in Nursing.

(6) Healthcare includes Nursing, Health and Social Services verticals.

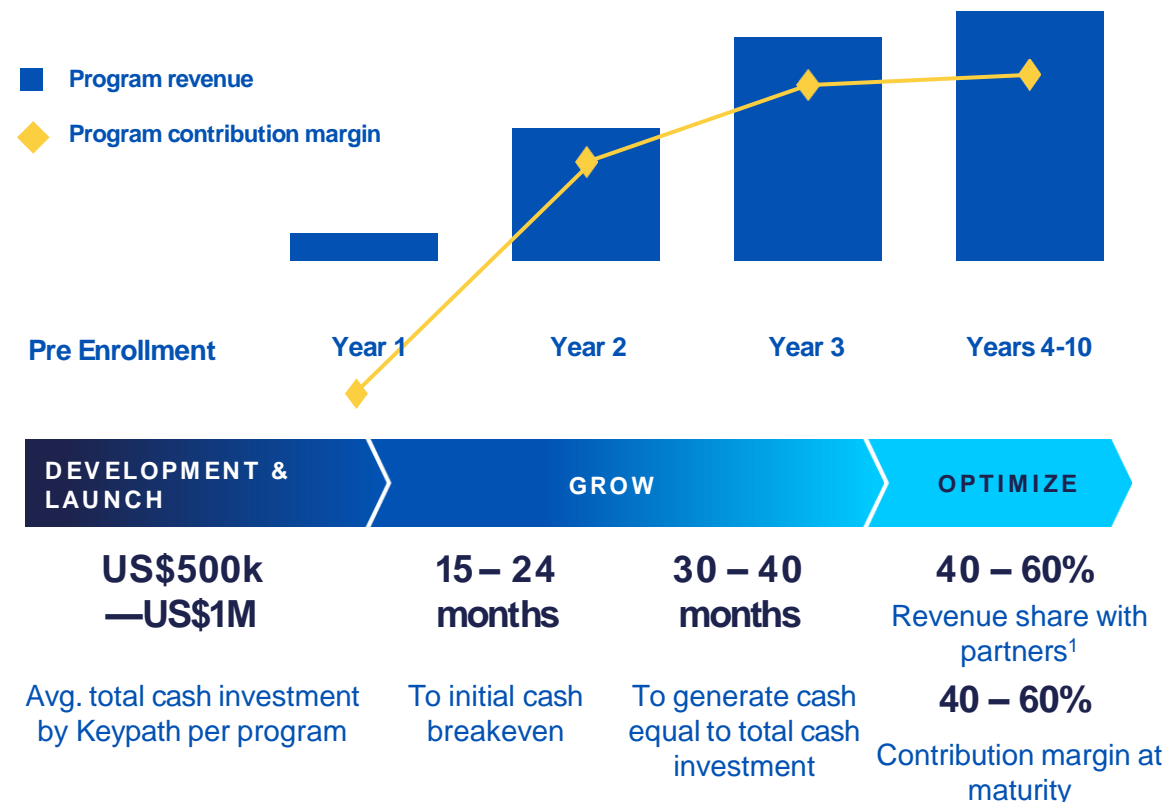
(7) Google.

High long term returns

Long-term shareholder value creation

A proven unit economic model

ILLUSTRATIVE TARGET PROGRAM UNIT ECONOMICS



(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.

High long term returns on capital



Mature vintages proving unit economic model; recent vintages are bigger investment for much bigger returns

As shown later in this presentation, vintages are following proven unit economic model

Programs with 1st student intake in FY18 and prior (**mature vintages**) achieved **46.4% contribution margin** in H1 FY22

Even with US\$7 million of investment in our most recent vintages, H1 FY22 contribution margin is strong at 21.5%

As the FY21 and FY22 vintages (the largest in our history) mature through the unit economic model, returns will increase significantly

FY23 vintage is also expected to be of similar size to FY21 and FY22 and we have already closed 28 programs from that vintage



Balance sheet strong for growth

IPO in 2021 provided capital to capture growth opportunities

Total cash on hand at December 31, 2021 of US\$72.4 million (no debt); fully funded for organic growth before positive internal net cash generation

Highly disciplined: only allocate capital to its highest returning uses

2

H1 FY22 Highlights

H1 FY22 operational highlights

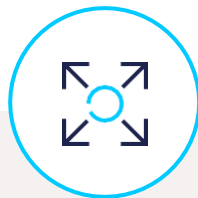
Continued strong growth in partners, programs and enrollments



166

Total active programs¹

+33 programs in H1 FY22



Expansion in South-East Asia

Global expansion continues with launch of a new partner in Singapore



44,664

Course enrollments²

vs 36,252 in H1 FY21



37

Global university partners

vs 30 in H1 FY21, up +23%



~9 yrs

Avg. weighted contract length per program³

Typically 7-10 years

(1) Keypath defines a program as a bachelor's, master's, or doctoral degree program, a post master's degree certificate (in the United States) or a graduate diploma program (in APAC) that we are actively supporting on behalf of one of our university partners or for which we have executed contracts for a future program launch; As of December 31, 2021, 124 programs were revenue generating while 10 were in market but pre-1st enrollment.

(2) Includes estimates for enrollments pending invoicing.

(3) Weighted by FY21 revenue.

H1 FY22 financial highlights (in US \$m)

Strong revenue growth and cash balance to support growth objectives



\$56.9m

Revenue

vs H1 FY21
revenue of
\$41.6m, up **37%** ↑
(36% constant
currency)



\$12.2m

21.5%

Contribution margin

vs H1 FY21
contribution
margin of \$8.9m,
up **37%** ↑



(\$3.7m)

Adjusted EBITDA

vs H1 FY21
Adj. EBITDA of
\$1.6M ↓



\$7m

Investment¹

In new programs
launched in H1
FY22 an increase
of ~\$1m from H1
FY21 ↑



\$72.4m

Cash on hand

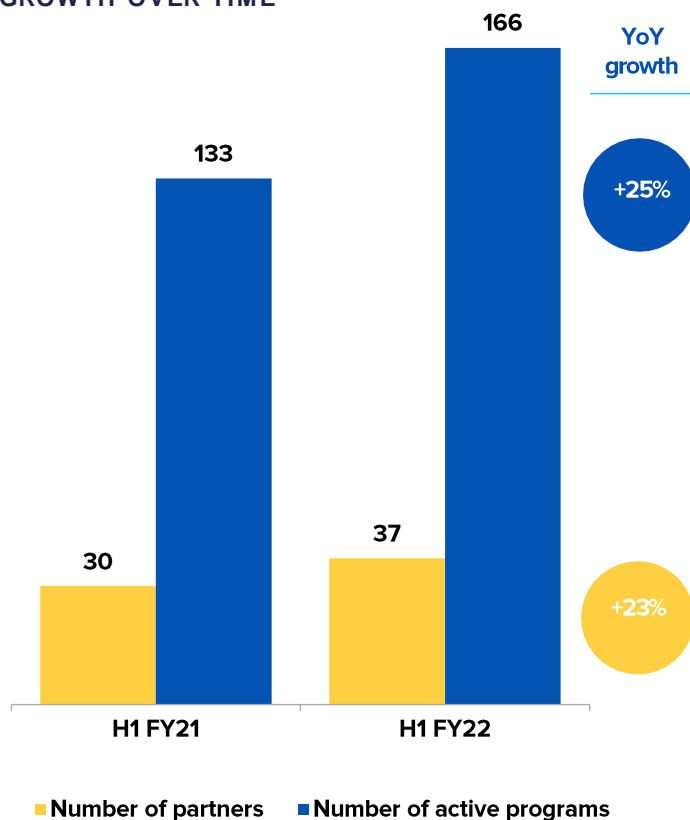
As of December
31, 2021, to be
used in operations
and to pursue
growth objectives

(1) Represents the net cash investment in all FY22 and FY23 vintage programs included in the H1 FY22 financial results; H1 FY21 net cash investment in all FY21 and FY22 vintage programs included in the H1 FY21 financial results was ~\$6m.

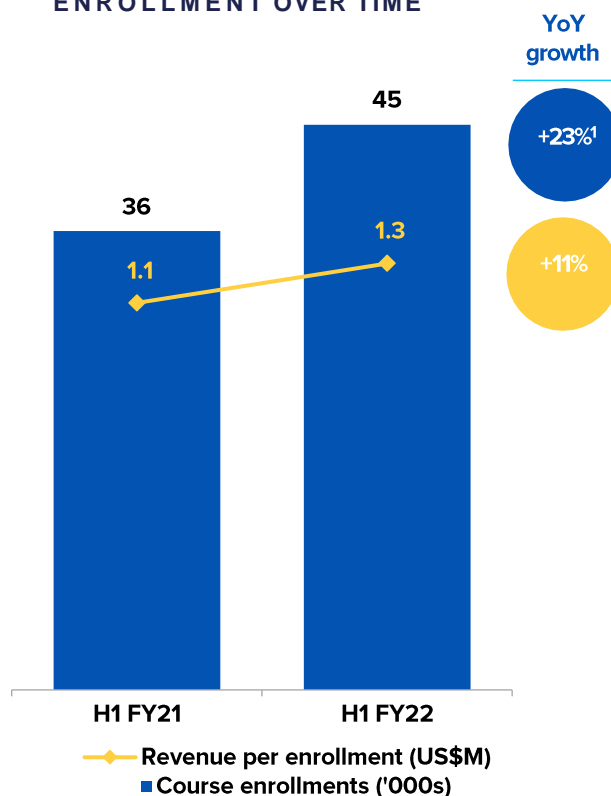
Continued strong operational metrics

Partners, active programs and student enrollments have continued to grow

PARTNERS AND ACTIVE PROGRAMS
GROWTH OVER TIME



STUDENT COURSE ENROLLMENTS
AND REVENUE PER
ENROLLMENT OVER TIME



COMMENTARY

- Student demand remains strong across all key disciplines, especially in certain disciplines utilizing placement services where we continue to look to increase capacity to meet this demand
- 5 new partnerships signed in H1 FY22
- In November 2021 we signed an agreement with our second Asia Partner, Singapore Institute of Management (SIM), a leading private education and lifelong learning institution, to launch four programs in known areas – Business, Data and STEM
- New programs signed growing at 25% YoY with programs signed in multiple verticals, notably Nursing and STEM
- 23% enrollment growth YoY based on newer vintages scaling well
- Recent momentum sets stage for upcoming growth
- Our pipeline of new programs is at historically high levels and exceeding expectations.

(1) Reflects real change based on whole numbers not rounded.

H1 FY22 financial performance

37% revenue growth with adjusted EBITDA tracking ahead of expectations

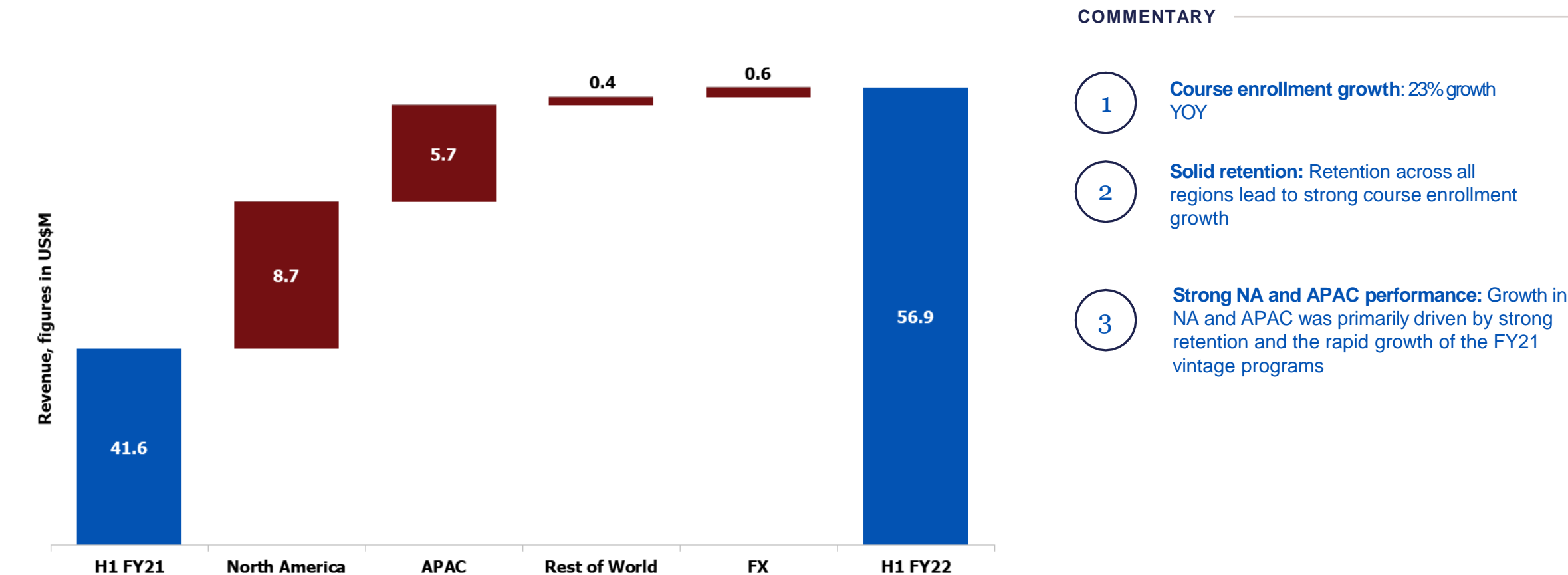
US \$m	H1 FY22	H1 FY21	% change
Revenue	56.9	41.6	37.0%
Salaries and wages	(30.4)	(22.0)	38.0%
Direct marketing	(21.1)	(14.5)	45.4%
General and administration expenses	(9.0)	(4.0)	126.7%
Depreciation and amortization	(2.4)	(2.0)	16.6%
Stock-based compensation expense (one-time)	(5.3)	-	
Stock-based compensation expense (ongoing)	(1.0)	-	
Legacy Long-Term Incentive Plan Cash Awards	(0.4)	-	
IPO transaction costs expensed	-	(0.1)	(100.0%)
Other income and (expense), net	(0.2)	0.5	(136.6%)
EBIT	(12.9)	(0.6)	2061.1%
<i>EBIT % of revenue</i>	<i>(22.6%)</i>	<i>(1.4%)</i>	<i>(2115 bps)</i>
EBITDA	(10.5)	1.4	(827.1%)
<i>EBITDA % of revenue</i>	<i>(18.4%)</i>	<i>3.5%</i>	<i>(2188 bps)</i>
Adjusted EBITDA	(3.7)	1.6	(337.5%)
<i>Adjusted EBITDA % of revenue</i>	<i>(6.5%)</i>	<i>3.8%</i>	<i>(1031 bps)</i>
Net Loss Attributable to Keypath Education International, Inc. Shareholders	(13.5)	(4.1)	229.5%

COMMENTARY

- Revenue increased by 36% compared to prior period when adjusted for favorable foreign exchange impacts of \$0.6m
- H1 revenue includes December which is the lowest revenue month of the year due to term dates ending early for holidays
- Adjusted EBITDA impacted by recent historically large vintages being in their investment phase, public company costs, Malaysian expansion and investments in systems
- Adjusted EBITDA tracking ahead of expectations

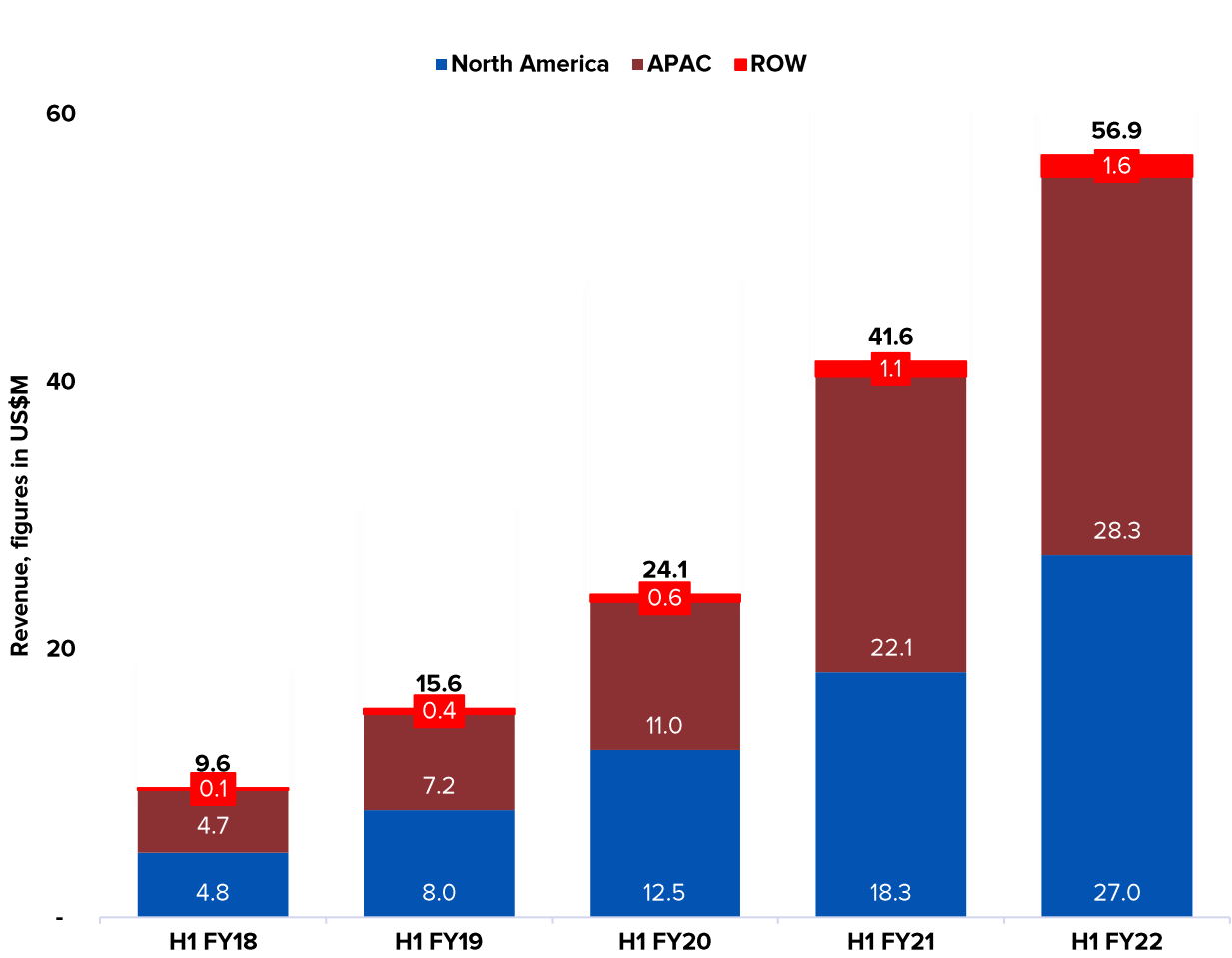
Drivers of revenue outperformance

Revenue growth driven by course enrollment growth across all regions



Revenue by geography

H1 FY22 revenue has increased 37% (36% constant currency) from H1 FY21



H1 FY18–H1
FY22 CAGR

43% CAGR

63%
CAGR

43%
CAGR

41%
CAGR

COMMENTARY



Revenues are primarily earned in the North America and APAC markets where 97% of its revenue is generated



Strong revenue performance is underpinned by:

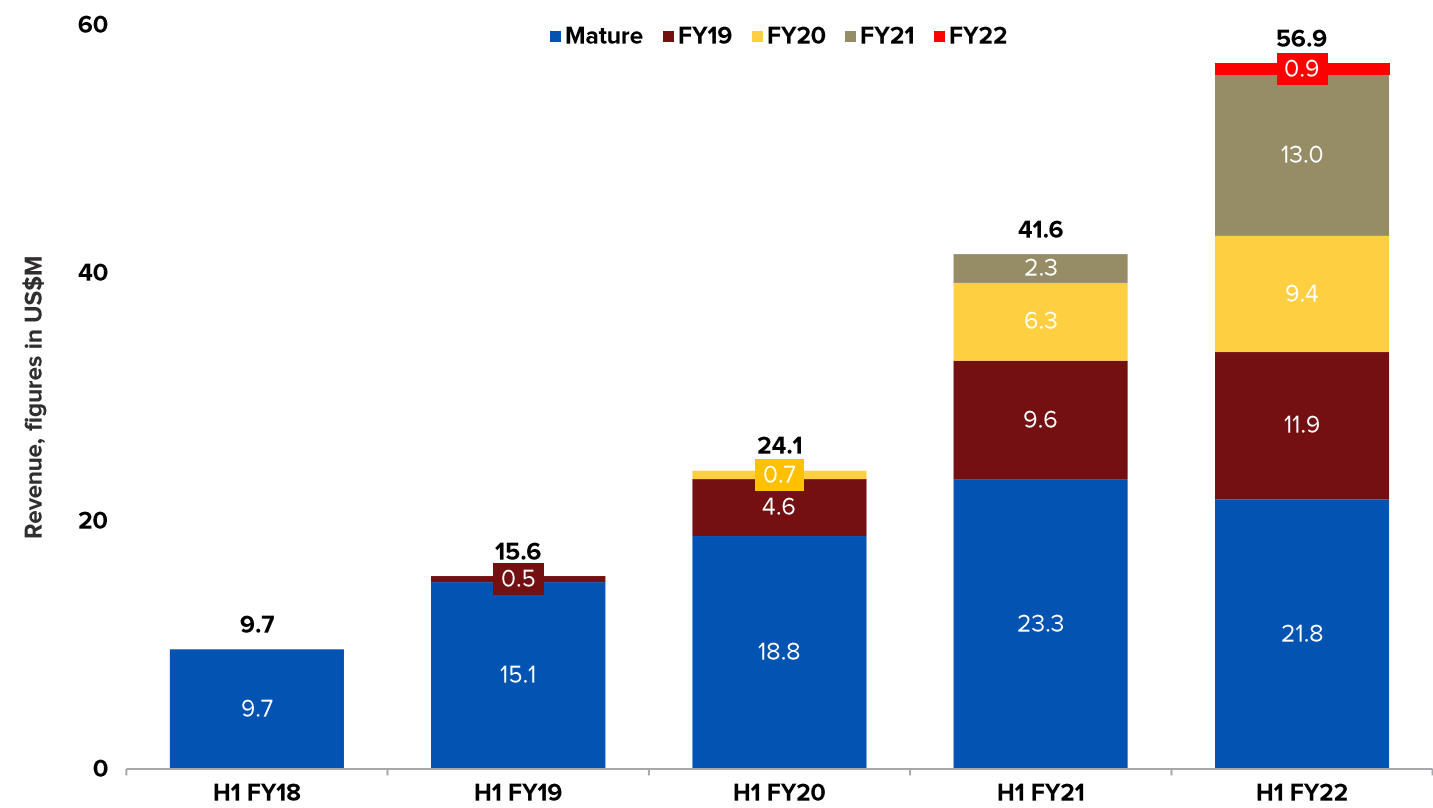
- course enrollment growth
- strong student retention
- the launch of new programs in key disciplines



Revenue increased by 36% compared to prior period when adjusted for favorable foreign exchange impacts of \$0.6m

Revenue by vintage¹

Newer vintages continue to expand rapidly



COMMENTARY



H1 FY22 illustrates growth across most vintages, driven by 23% overall growth in course enrollments YoY



FY20 & FY21 vintages are significantly larger than prior year vintages, primarily driven by KeypathEDGE (e.g. Clinical programs in North America)

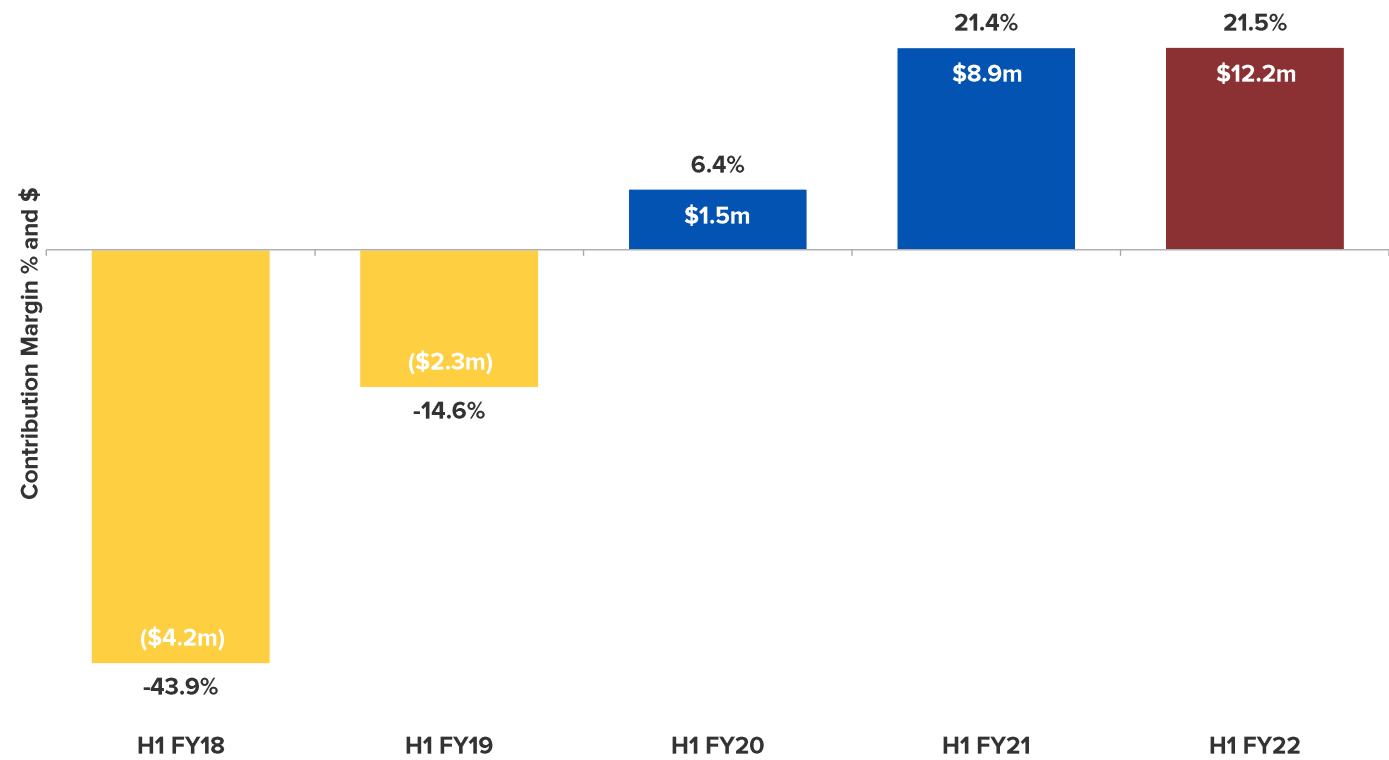


FY21 vintage represents the largest in Keypath's history in terms of the number of programs but also the overall revenue trajectory (2x the FY20 vintage in year 1); this vintage alone is expected to be a significant driver of near-term growth

(1) Vintage refers to the fiscal year in which a new program has its first student intake. Revenue from the first year of a vintage reflects a combination of the timing of when a programs has its first student intake (Keypath does not earn revenue until the first student intake on a program) and the number of programs in the respective vintage.

Contribution margin

Contribution margin continues to improve as the unit economic model plays out and mature vintages reach our targeted margins of 40-60%

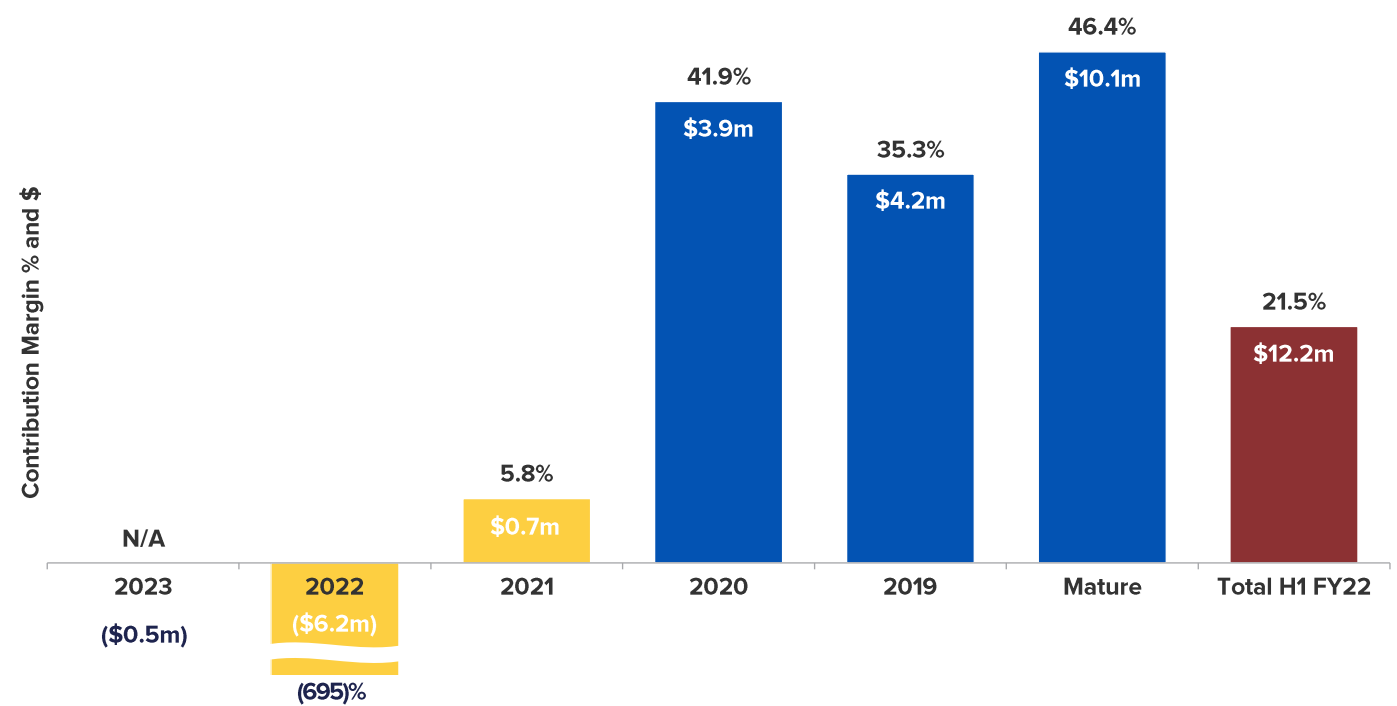


COMMENTARY

- 1 Larger vintages and a maturing portfolio drive margin expansion consistent with the unit economic model
- 2 The contribution margin for FY22 remains flat with FY21 due to impact of large vintages in the development and launch stage
- 3 Contribution margins will continue to improve as a greater % of the overall portfolio of programs reach maturity (i.e., are in market for 4+ years)

H1 FY22 contribution margin by vintage

Mature vintages’ contribution margin at 46% proving unit economic model; upward momentum to this level from post-Keypath EDGE vintages



COMMENTARY

- 1 Mature vintages support unit economic model and evidence profitability of business model
- 2 Vintages in "grow" and "launch" stages are progressing through unit economic model better than the prior "mature" vintages
- 3 FY21 vintage reached positive contribution margin faster than any vintage in the history of the Company

3

FY22 Progress and Outlook

FY22 Current Trading and Outlook

- Keypath is well positioned with growing acceptance among universities and a clear trajectory of accelerating global growth in online learning;
- Revenue in H1 FY22 +36% YoY (constant currency), contribution margin of \$12.3m (up 37% YoY), adjusted EBITDA margin of (6.5)% and positive development in our cash position continues the Company's strong momentum in FY22;
- We are on track with new university and program signings with 5 new partners and 33 new programs, including in Southeast Asia;
- Healthcare and Social Services expansion, including Nursing, continues to drive growth and new program pipeline;
- KeypathEDGE investments giving operational leverage and scale as shown with our results in H1 FY22;
- We remain confident in achieving our prospectus FY22 forecast – Revenue US\$116.4m, contribution margin US\$18.1m and adjusted EBITDA US(\$11.6)m; and
- We are aiming on holding an Investor Day in April to provide further information about the Company including our strategy and growth levers as well as our unit economics and path to profitability. Further information about this will be provided to the market in due course.

Q&A





A

Appendix

Financial Statements

Income statement

US \$m	H1 FY22	H1 FY21	% change
Revenue	56.9	41.6	37.0%
Salaries and wages	(30.4)	(22.0)	38.0%
Direct marketing	(21.1)	(14.5)	45.4%
General and administration expenses	(9.0)	(4.0)	126.7%
Depreciation and amortization	(2.4)	(2.0)	16.6%
Stock-based compensation expense (one-time)	(5.3)	-	
Stock-based compensation expense (ongoing)	(1.0)	-	
Legacy Long-Term Incentive Plan Cash Awards	(0.4)	-	
IPO transaction costs expensed	-	(0.1)	
Operating Loss	(12.7)	(1.1)	1067.5%
Interest expense	0.0	(0.7)	(100.0%)
Other income and (expense), net	(0.2)	0.5	(136.6%)
Loss before income taxes	(12.9)	(1.2)	932.8%
Income tax benefit (expense)	(0.7)	(2.0)	(66.0%)
Net loss	(13.5)	(3.3)	314.9%
Non-controlling interest redemption increment	-	(0.8)	(100.0%)
Net loss attributable to Keypath Education International, Inc. shareholders	(13.5)	(4.1)	229.5%
Revenue growth %	37.0%	70.0%	(3295 bps)
Salaries and wages % of revenue	53.3%	52.9%	39 bps
Direct marketing % of revenue	37.1%	34.9%	215 bps
General and administration % of revenue	15.8%	9.6%	627 bps

COMMENTARY

- Strong **revenue** performance is underpinned by course enrollment growth, strong student retention and the launch of new programs in key disciplines
- **Salaries and wages** expense increased due to the addition of ~180 employees since December 31, 2020; ~80% of the additions were in direct cost departments supporting revenue growth with the balance of additions supporting public company requirements
- **Direct marketing** costs increased due to the growth in active programs and the number and size of programs in their development and launch phase
- **G&A** costs increased as a result of the overall growth of the business, start-up costs for Malaysian operations and the infrastructure required to support a public company

Balance sheet statement

US \$m	December 31, 2021	June 30, 2021	% change
Cash and restricted cash	72.4	67.5	7.3%
Accounts receivable and other current assets	7.7	22.4	(65.7%)
Accounts payable and other current liabilities	(21.0)	(23.0)	(8.8%)
Net Working Capital	59.0	66.8	(11.6%)
Property and equipment, net	1.6	1.7	(6.8%)
Goodwill	8.8	8.8	-%
Intangible assets, net	6.2	5.8	6.1%
Other non-current assets	7.3	8.3	(12.8%)
Other non-current liabilities	(0.2)	(1.0)	(79.6%)
Net Assets	82.6	90.4	(8.6%)
Common stock	2.1	2.1	-%
Additional Paid-in Capital	252.5	246.2	2.6%
Accumulated losses	(171.9)	(157.8)	9.0%
Keypath shareholder's equity	82.6	90.4	(8.6%)
Total Equity	82.6	90.4	(8.6%)

COMMENTARY

- **Cash** balance has increased as a result of revenue growth and strong collections during H1 FY22
- **Accounts receivable and other current assets** have decreased as a result of strong collections during H1 FY22

Cash flow statement

US \$m	H1 FY22	H1 FY21	% change
EBITDA	(10.5)	1.4	(827.1%)
Stock-based compensation expense	6.3	-	
Legacy Long-Term Incentive Plan Cash Awards	0.4	-	
Other non-cash items	0.6	1.7	(63.6%)
Change in net working capital	11.3	0.2	5503.2%
Interest paid	-	(0.5)	(100.0%)
Income taxes paid	(0.5)	-	
Cash flow from operating activities	7.7	2.8	172.6%
Additions of amortizable intangible assets	(2.0)	(1.5)	33.4%
Purchases of property and equipment	(0.4)	(0.5)	(23.3%)
Cash flow from investing activities	(2.4)	(2.0)	19.3%
Cash flow from financing activities	-	-	
Effect of exchange rate changes	(0.4)	1.1	(138.1%)
Net cash flows	4.9	1.9	156.8%
Cash and restricted cash at beginning of year	67.5	14.7	358.9%
Cash and restricted cash at end of year	72.4	16.6	335.6%

COMMENTARY

- Strong cash position \$72.4m (no debt) as of December 31, 2021; Cash will be used in operations and to pursue the Company's growth objectives; organic growth fully funded through cash flow break even
- For H1 FY22, cash flow provided by operations was \$7.7m compared to \$2.8m in H1 FY21; cash flow from operations for H1 FY22 includes the investment in new vintages of ~\$7m in H1 FY22 vs. \$6m in H1 FY21
- For H1 FY22, net cash used in investing activities was \$2.4m, primarily representing the capitalized value of employee and contractor costs directly involved in the development of programs and eligible for capitalization under US GAAP

Contribution margin

RECONCILIATION OF CONTRIBUTION MARGIN TO EBITDA

US \$m	H1 FY22	H1 FY21	% change
Revenue	56.9	41.6	37.0%
Direct salaries and wages net of capitalized costs	(22.4)	(17.4)	28.4%
Direct marketing expenses	(21.1)	(14.5)	45.4%
General and administration expenses allocated to direct departments	(1.2)	(0.7)	74.0%
Contribution margin	12.2	8.9	37.1%
Corporate costs	(15.9)	(7.3)	117.0%
Stock-based compensation expense (one-time)	(5.3)	-	
Stock-based compensation expense (ongoing)	(1.0)	-	
Legacy Long-Term Incentive Plan Cash Awards	(0.4)	-	
IPO transaction costs expensed	-	(0.1)	
EBITDA	(10.5)	1.4	(827.1%)
Contribution margin %	21.5%	21.4%	1 bps
Direct salaries and wages net of capitalized costs %	39.3%	41.9%	(263 bps)
Direct marketing expenses %	37.1%	34.9%	215 bps
General and administration expenses allocated to direct departments %	2.2%	1.7%	46 bps
Corporate costs %	28.0%	17.7%	1032 bps
EBITDA %	(18.4%)	3.5%	(2188 bps)

COMMENTARY

- Continuing cost leverage on direct salaries and wages reinforcing the unit economic model
- Corporate costs increased due to public company costs, the Malaysian and Singapore expansion and infrastructure investments to support growth
- 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 programs 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

Adjusted EBITDA

RECONCILIATION OF EBITDA TO ADJUSTED EBITDA

US \$m	H1 FY22	H1 FY21	% change
Operating loss	(12.7)	(1.1)	1067.5%
Other income and (expense), net	(0.2)	0.5	(136.6%)
EBIT	(12.9)	(0.6)	2061.1%
Depreciation and amortization	2.4	2.0	16.6%
EBITDA	(10.5)	1.4	(827.1%)
Stock-based compensation expense (one-time) ¹	5.3	-	
Stock-based compensation expense (ongoing)	1.0	-	
Legacy Long-Term Incentive Plan Cash Awards	0.4	-	
IPO transaction costs expensed	-	0.1	
Adjusted EBITDA	(3.7)	1.6	(337.5%)
EBIT % of revenue	(22.6%)	(1.4%)	(2115 bps)
EBITDA % of revenue	(18.4%)	3.5%	(2188 bps)
Adjusted EBITDA % of revenue	(6.5%)	3.8%	(1031 bps)

(1) Projected Stock-Based compensation expense (one-time): \$7.4M for FY22, \$1.7M for FY23 and \$0.2M for FY24.

COMMENTARY

- EBIT is earnings before interest and tax
- EBITDA is earnings before interest, tax, depreciation and amortization
- The calculation of EBITDA should not be viewed as a substitute for calculations under US GAAP. EBITDA calculated by the Company may not be comparable to the EBITDA calculation of another company
- Management believes adj. EBITDA is useful to help evaluate the operating performance of the business and as an indicator of cash generated or used by the day-to-day operations of the business, before taking into account the costs and cash flows associated with the capital and funding structure of Keypath, and before taking into account movements in net working capital
- Adjusted EBITDA represents EBITDA less non-recurring items as well as stock-based compensation
- Adjusted EBITDA impacted by recent, large vintages being in their investment phase, public company costs, Malaysian expansion and investments in systems

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