Unlocking greatness

Keypath Education Annual Report 2022

Keypath Education

Transform Education, Transform the World.

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

As a global education technology ("EdTech") company, our vision is to be the global leader in education transformation – the key that unlocks greatness in educators and in students. By transforming education, we transform the world.

As a leading Online Program Manager ("OPM"), we partner with some of the world's leading educators to expand their reach, amplify their impact and advance student outcomes. We do this by delivering programs that meet the needs of the future-of-work and help solve our global social and economic challenges.

Contents

Keypath listed on the Australian Securities Exchange on June 2, 2021.
(ASX: KED)

FY22 Highlights

US$118.4m	178	101,753	39
Revenue (FY21: US$98.1 million)	**Active programs** (FY21: 133)	**Course enrollments** (FY21: 86,042)	**University partners** (FY21: 32)
+20.7%	+33.8%	+18.3%	+21.9%

Unlocking greatness in Healthcare and Southeast Asia.

Keypath is proud to have built a market-leading Healthcare OPM offering

Extending our global footprint into the Southeast Asia online education market

The global online Healthcare education market is estimated to be worth US$12 billion

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Southeast Asia's population is over 650 million and it is the world's largest EdTech growth region

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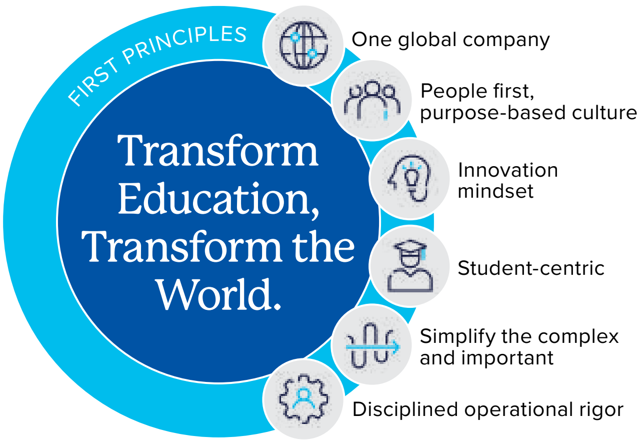
Chair's message

After our first highly successful year as a listed company, it is with great pleasure we share Keypath's FY22 Annual Report with our shareholders.

DIANA EILERT
Chair, Keypath

Keypath was founded in 2014 as a global EdTech company with the vision to **"Transform Education, Transform the World"** and the mission to **"Unlock Greatness**" in educators, students and our people.



Post-secondary education has traditionally been delivered "face-to-face," with less than half of courses delivered online in 2019.[1] Online education offers education opportunities to the large number of people who value the flexibility to their schedules or where nearby on-campus education options are not available.

By transforming education, together we are transforming the world for the better in a sustainable[2] way for individuals (including our people), partners and society in general.

Online Program Manager ("OPM") providers, such as Keypath, partner with universities to recruit, mentor and retain students through their online programs. We work with universities to design their programs for optimal student experience and retention. We are delivering strong educational outcomes for students and university partners.

Such success is accelerating the use of OPM providers; spend in the global OPM market was approximately US$5.7 billion in 2019[3] and is expected to grow to approximately US$13.3 billion by 2025, representing a growth rate of 19% per annum.

With our ongoing investment in KeypathEDGE, our proprietary data platform, Keypath continues to build on our market-leading data and technology driven approach to identifying, designing and delivering career-relevant online programs in partnership with universities around the globe.

As the needs of society, universities and students for high quality accessible education increases, we are excited about being a key stakeholder in the ecosystem addressing these needs, while at the same time providing ongoing development opportunities for our people and long-term returns for our shareholders.

Our role as an OPM partner

As an OPM provider, Keypath solves university partners' challenges of starting new online programs, particularly around the large investment and complexity that these programs often entail. The university partner provides the course content and delivers the courses while Keypath invests in the design and marketing of the program as well as the recruitment, support and retention of students selected for the programs.

In consideration of this investment, we work on a revenue share model with our partners under long-term contracts that have an initial contract term length of approximately nine years on average. Our business model drives strong economic returns for both our university partners and Keypath; a true "win-win" outcome.

1. Source: Australian Government Department of Education, Skills and Employment, 2020.
2. For further information please refer to our Environmental, Social and Governance ("ESG") Report.
3. "Global Online Degree and Micro-Credentials Market", HolonIQ, March 2021.

Keypath's growth in Healthcare and Southeast Asia

Keypath is proud to have built a market-leading Healthcare OPM offering, including a clinical placements platform with over 14,000 clinical and field placement relationships in approximately 340 Healthcare systems. Driven by global demand, we expect to see continued strong growth in our Healthcare offerings.

Keypath also recently entered the large Southeast Asia online education market with new partners and programs in Singapore and Malaysia, further extending our global footprint and demonstrating our ability to deliver successful OPM solutions across diverse markets.

Continued strong operational and financial performance

FY22 was another highly successful year for Keypath. We exceeded our prospectus forecasts. This strong performance was driven by continued growth in partners, programs, course enrollments and strong student retention rates across the portfolio of programs Keypath operates.

Board and executive leadership

Keypath was led by our Board of Directors that brings a breadth of expertise and skill including business leadership, education sector experience, financial management, customer and technology expertise, and corporate governance experience. Directors are domiciled in both the USA and Australia.

Our leadership team led by Steve Fireng, with its deep industry experience and focus on creating value, has continued to build on the business from the initial public offering ("IPO") including delivering on the strategy and financial targets and goals articulated at the IPO. This Executive Leadership Team pioneered the OPM markets in the US and Australia, and leads with a culture of integrity, purpose and innovation.

Confidence in our outlook

The online education market continues to build as more university partners recognize the value of partnering with an OPM provider like Keypath. Continued growth is evidenced by the seven new partners and 21 new programs with existing partners we signed in FY22. Underpinning our confidence in the future, our pipeline of new programs is at historically high levels and exceeding expectations.

During the year, Keypath continued to invest in growth while also articulating a path to profitability to provide assurance to our stakeholders of our focus on cost-effectiveness and returns to shareholders.

These dynamics and initiatives, coupled with our continued strong performance in FY22, provide us with high levels of confidence in Keypath delivering strong growth in the future and progressing on our path to profitability targeted for H2 FY24.

Conclusion

On behalf of the Directors, I thank Steve, his Executive Leadership Team and the company's wider team of talented and dedicated employees (or "Keypathers," as we call ourselves), for their passion and hard work.

We also extend our sincere appreciation to Keypath's university partners for the continued trust they place in Keypath to work with their students, faculty members and broader communities. Together with our university partners, Keypath is proud that every day we are changing our students' lives through education.

Finally, we thank our shareholders for their ongoing support as we deliver on our long-term growth strategy.

We are excited about Keypath leading the global transformation of education and helping to transform the world.

Diana Eilert
Chair, Keypath Education

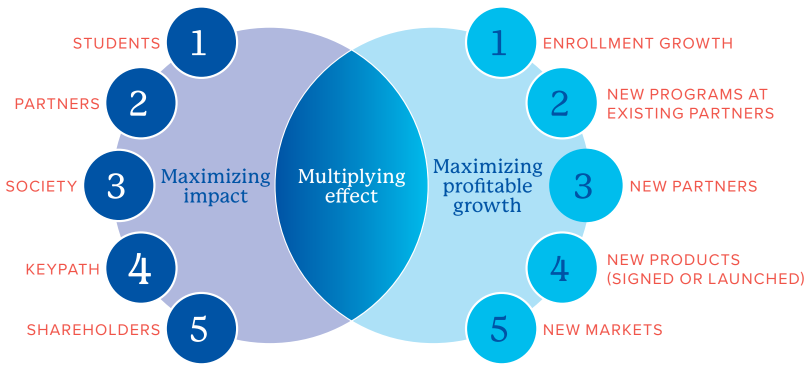
CEO's review

It is with great pride that I reflect on Keypath's first year as a listed company and our many successes in FY22 as we continue to "Transform Education, Transform the World."

STEVE FIRENG
Founder, Executive Director and Global CEO, Keypath

With the strong foundation of our successful Initial Public Offering ("IPO") in June 2021, FY22 was another year of continued impact and growth for Keypath.

Through our work, we drive the multiplying effect of maximizing impact for our five key stakeholders through our five growth drivers, underpinned by our people and technology.



With KeypathEDGE, we identify key workforce skills gaps to solve challenges for **society** and deliver programs in these areas with university **partners** to help them anticipate and adapt to the impact of technology on providing an optimal experience for **students** to reskill or upskill and unlock their potential. Through this, we provide growth opportunities for **Keypath** and our people and long-term sustainable returns to **shareholders**.

The impact across these five stakeholders is multiplied through our five key growth drivers of:

1. growing enrollments within existing programs
2. adding new programs at existing partners
3. adding new partners
4. launching new products in high demand areas
5. expanding into new markets

Underpinned by our people...

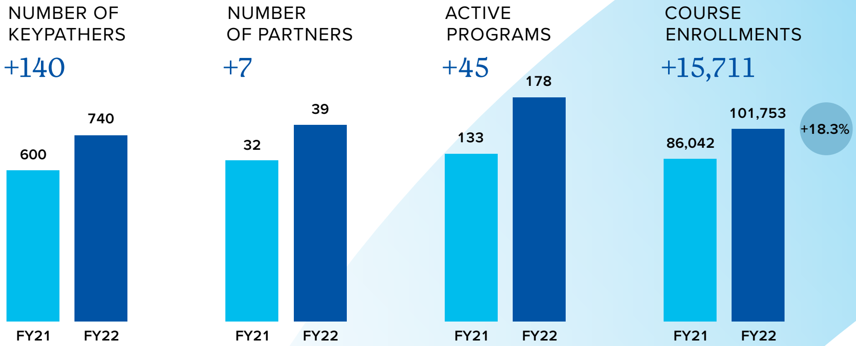
At Keypath, fundamental to our impact and growth is our values-based, purpose-driven and "people first" approach. Keypathers living our core values of collaboration, commitment, innovation and lifelong learning are key to everything we do and without it our outstanding performance in FY22 would not have been possible.

To support our growing list of university partners and programs we are pleased to have added 140 Keypathers to our high-performing team in FY22. Today, we have ~750 Keypathers representing a diverse and talented team reflective of the communities and the students we serve.

We are consistently recognized and rewarded as a leading place to work based on our dedication to, and focus on, our people.

AN AWARD-WINNING CULTURE

» Best Places to Work – Australia 2022
» Australian LGBTQ Inclusion Awards 2021 – Bronze Small Employer
» Great Place to Work® – Canada 2021–2022
» Best Workplaces™ for Women – Canada 2022
» Best Place to Work in Chicago 2021 – Crain's Chicago Business
» Chicago Top Workplaces 2021 by The Chicago Tribune



... and our technology

We use a data-driven approach to achieve growth with our partners and programs and have accumulated tremendous market and trend data across the global markets we serve. We capitalize on this data collection through our KeypathEDGE data analytics platform (see page 26 for more information). Using predictive analytics, our proprietary KeypathEDGE tool identifies growth drivers within our industry.

With these detailed insights, we focus on building the right programs in the right disciplines and in the right geographies to provide students with career relevant and in-demand skills. We also use KeypathEDGE analytics to identify the most attractive markets to expand into, as evidenced by our continued growth in Southeast Asia.

EMPLOYEE RATINGS

4.31/5

GALLUP EMPLOYEE ENGAGEMENT SCORE

Placing Keypath in the 67th percentile against other companies

4.1/5

SEEK RATING

4.4/5

GLASSDOOR RATINGS

Growth in partners, programs, enrollments, products and markets

There is no greater evidence of the value of our offering than the new partners and programs we are adding year after year. We are proud to have added seven new university partnerships in FY22 and are now a trusted partner with 39 universities throughout Australia, the United States, Canada, the United Kingdom, Malaysia and Singapore.

In FY22, we added 21 programs with our existing partners proving the value these partners see in our OPM offering.

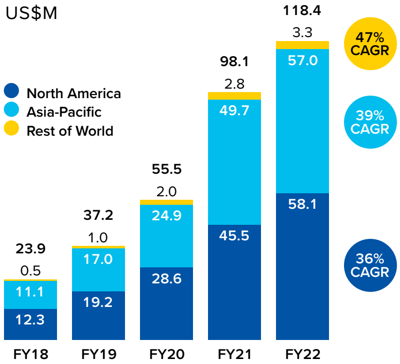
These additional partners and programs have driven an increase in enrollments of 18.3% to 101,753 in FY22. We see student demand remaining strong, especially in certain Healthcare disciplines, including Nursing, where we continue to help our partners and Healthcare providers increase capacity and meet demand. This increasing demand has also led to a revenue per enrollment increase 2.1% to US$1,164 in FY22 from US$1,140 in FY21.

Our newest university partnerships and programs continue to build on our global footprint and include our first partnership in Singapore. We consider Southeast Asia to be a key area of growth for us and the continued expansion of our partners and programs in the region is hugely exciting.

This ongoing development of our global footprint enhances our ability to respond to new opportunities quickly. We have global speed and agility allowing us to scale and flex where the most value accretive opportunities emerge.

CEO's review

REVENUE
BY GEOGRAPHY
US$M



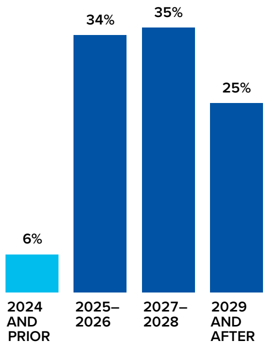
FY18–FY22
CAGR

North America region includes the United States and Canada.

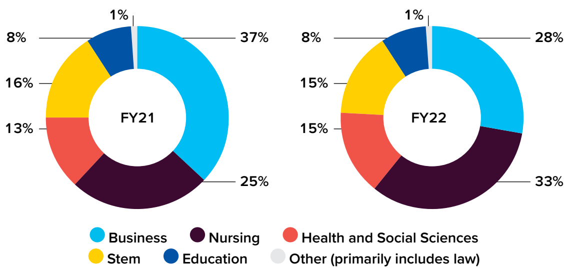
Asia-Pacific ("APAC") region currently includes Australia, Malaysia and Singapore. The Malaysian business commenced operations during the year ended June 30, 2021 but did not earn any revenue in FY21 and earned insignificant revenue in FY22. We have signed the first agreement with our partner in Singapore, expecting to generate revenue in FY23.

The Rest of World includes the United Kingdom.

94% OF PROGRAMS
NOT UP FOR RENEWAL UNTIL
2025 AND BEYOND



REVENUE SPLIT BY VERTICAL



This, combined with continued expansion of our global platform in Southeast Asia building on our first two partners in Malaysia and Singapore, underpins the continued and sustainable growth of our business.

Continued strong revenue growth

FY22 was another year of robust execution for Keypath building on our track record of delivering strong financial performance since our beginning in 2014. Revenue of US$118.4 million was a 20.7% improvement on the prior year revenue of US$98.1 million and US$2.0 million ahead of prospectus forecast. The majority (97%) of our revenue is earned in the North America and APAC markets.

This continued revenue growth further developed our revenue diversity and visibility, strengthening our solid long-term foundation for growth and profitability improvements.

Our mix of verticals continues to be well diversified while also seeing an increase in Nursing and in Health and Social Sciences as we continue to expand our Healthcare OPM offering. This diversity of revenue is further supported by the contract term expiry profile with 94% of programs not up for renewal until 2025 and beyond.

With the global shortage of nurses and midwives having reached 30.6 million[1], growth in Nursing enrollments of 55%[2] and our market leading Healthcare OPM platform with over 14,000 clinical and field placement relationships having delivered over 10,000 clinical placements, we are focused on driving longer-term growth through the continued expansion of our university partners and Healthcare programs.

Focus on profitability and cash flow

Keypath believes in growth balanced with profitability with a focus on cash flow and long-term shareholder returns. Over the last five years we have driven progress in profitability with mature contribution margins in FY22 of 46%.

This progress on core profitability, and the cost leverage our global platform enables, gave us the confidence to release a target of achieving Adjusted EBITDA breakeven from H2 FY24.

Alongside our strong balance sheet including cash balance of US$59.2 million, this provides us with ample financial resources to deliver on our organic growth plans until we reach cash flow positivity.

1. The Lancet 2022; 399: 2129–54 Published Online May 23, 2022.
2. 2020–2021 AACN Enrollment & Graduations in Baccalaureate and Graduate Programs in Nursing.

Impact of COVID-19

Throughout FY22, the impact of the COVID-19 pandemic continued with many universities seeking new ways to manage the investment and complexity of taking on campus programs online and building new revenue streams at a time of reduced government and private funding.

During the COVID-19 pandemic in FY21 and the associated lockdowns, growth of new programs and enrollments were accelerated. FY22 growth rates reflect this with normalized longer-term growth expected to return as the temporary increase in enrollments that resulted from COVID-19 lockdowns abates.

Keypath managed the impact of COVID-19 with a fully flexible workforce policy. This approach enabled us to source talent regardless of location, and, alongside our other policies, remain an employer of choice. This flexibility has also enabled us to optimize our efforts with potential and existing students.

While the path out of COVID-19 has its own uncertainties, we are confident that the adoption and validation of online education that was occurring before COVID-19, alongside the boost COVID-19 provided, will continue to grow in the coming years, providing a structural underpinning to our vision, mission, strategy, and operational and financial performance.

Outlook

We remain confident in the future of the OPM sector and our market leading place in it. Our business momentum and growth in university partnerships, programs and enrollments proves the value of our OPM offering. Our pipeline of partners and programs is the strongest in our history. Our continued expansion in Healthcare and Southeast Asia is providing the foundation for our future growth.

With the continued compilation of data from KeypathEDGE, Keypath is proactively and analytically transitioning our focus and investment into newer vintages, comprising programs with improved growth, unit economics and returns profiles.

In the short-term, this means taking some of the investment in the pre-KeypathEDGE vintages[3] and putting that into newer vintages, which will result in a transition period in FY23 as we refocus our investment.

Having seen the strong growth and profitability performance of our FY21 vintage when compared to our earlier "pre-KeypathEDGE" vintages, we are confident these newer vintages will drive strong revenue growth and improving profitability.

Conclusion

Keypath is a purpose led organization, operating at the center of the rapidly developing and growing online education ecosystem.

We remain focused on helping our university partners harness innovation to take advantage of these developments, in particular through our proprietary KeypathEDGE platform which optimizes the services we provide to our partners and the experience they can provide to their students.

Our university partners offer market leading programs that positively impact their operations, reputation, students and society by providing quality education for skills that are critically in demand. Keypath's experience in bringing even the most complex courses of study into an online, enriching learning experience is key to the success of our partner's programs.

This genuine "5x win" model in such a huge and growing market also enables Keypath to deliver our services in a way that provides compelling long-term returns for our shareholders.

We thank our people, university partners, students, shareholders and our other stakeholders for taking part in our journey to "Transform Education, Transform the World."

Steve Fireng
Founder, Executive Director
and Global CEO, Keypath Education

> "Our business momentum and growth in university partnerships, programs and enrollments proves the value of our OPM offering and provides us with confidence in the future, with our pipeline of partners and programs being the strongest in our history."

3. Pre-KeypathEDGE vintages are those with student starts before 2019.

Growing global footprint

Keypath is a trusted partner to 39 universities around the world.

These partners include 17 US News & World Report globally ranked university partners, nine Australian partners ranked by Times Higher Education and eight ranked Young University partners.

In Australia, Keypath signed its first programs with UNSW in 2018, one of the leading universities by world ranking and a member of the prestigious Group of Eight universities in Australia.

This global footprint provides us the scale and capabilities to further build our leading global Healthcare OPM offering and our expansion into Southeast Asia.

Growing global footprint

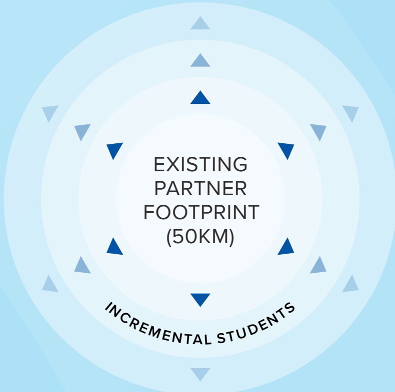
Growing Healthcare OPM offering

Keypath focuses on complex, high social impact Healthcare education programs with integrated clinical and field placement assistance.

Keypath has the resources and expertise to:

» scale programs beyond a university's geographic area
» provide clinical placement services to support programs
» improve shortages in rural and remote areas through Keypath's clinical and field placements network
» support the recruitment of qualified faculty to enable growth of the program
» ensure translation of content and clinical quality to an online audience

SCALING PROGRAMS BEYOND A UNIVERSITY'S GEOGRAPHIC AREA



Healthcare OPM removing distance to university as a barrier to Healthcare education; Example of this is Keypath's distance Accelerated Bachelor of Science in Nursing (page 13)

Student testimonial

"I wanted to become a nurse after volunteering at Baylor Scott and White in College Station, Texas. I saw how hard the nurses were working to serve others, and I knew that what I wanted to do was help others live happier, healthier lives."

"I decided to enrol in Baylor's Nursing School Program because I know that Baylor has an amazing reputation, especially in the medical field, and I wanted to be able to say that I went to Baylor for nursing school.

Being a Baylor nurse to me means that you really have a heart and a passion for it and that you're willing to put in 110% all the time even when you don't feel like it.

I think it's extremely important to work with under-served populations and communities as an RN because I am from an under-served community. Sometimes, people drive hours to a hospital because the healthcare workers are not always trusted in our small towns.

I think you should be able to trust your healthcare workers and once I get my RN license, I would like to become either an ER nurse or a NICU nurse."

Saraya Tiner

Baylor University
Accelerated Bachelor of Science in Nursing,
Bullard, Texas

Growing Healthcare OPM offering

Healthcare is a complex, in demand, fast growing vertical requiring investment for high returns.

The global online Healthcare education market is estimated to be worth US$12 billion in 2025[1] with US Healthcare master's degree enrollments growing at an annual rate of 6.6% since 2012.[2]

In addition, there is expected to be a global shortage of six million nurses by the 2030s,[3] with nine of the top 20 fastest growing professions in the US being in Healthcare.[4]

The complexity in Healthcare is driven by the challenges in finding clinical placements, finding qualified faculty, finding ample space, navigating regulatory complexities and finding financial resources required to deliver these programs.

Returns on the large investment required in creating online Healthcare programs is provided by the stronger unit economics and scale these programs can achieve. Through the investment in building our clinical placement network over the last few years, Keypath has already made a significant part of the investment required.

1. Source: Holan IQ. 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 US.
2. Wiley Education Services (2021). State of the education market: Trends and insights in key master's disciplines.
3. World Health Organization.
4. World Economic Forum.

"Keypath is proud to have built a market-leading Healthcare OPM offering, including a clinical placements platform with over 14,000 clinical and field placement relationships. Driven by global demand, we expect to see continued strong growth in our Healthcare offerings."

Diana Eilert, Chair, Keypath

US$12bn

Global online Healthcare education market size in 2025[1]

30.6m

Global shortage of nurses and midwifes[2]

55%

Growth in ABSN (Nursing) enrollment[3]

21%

Growth in Google search demand within healthcare and Social Science since 2018[4]

1. Source: Holan IQ. 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 US.
2. The Lancet 2022; 219-54 Published Online May 23, 2022.
3. 2020–2021 MCN Enrollment & Graduations in Baccalaureate and Graduate Programs in Nursing.
4. Google.

Growing Healthcare OPM offering

Keypath's global Healthcare perspective

Universities are central to the resolution of the global Healthcare skills shortage and Keypath is partnering with them to meet this challenge.

Through Keypath's market leading Healthcare platform, we are ideally placed to assist universities to address the complexity of delivery and to expand the geographic reach of their online Healthcare programs. The strength of our Healthcare platform, coupled with our global operations, means Keypath can drive the expansion of Healthcare OPM services globally, irrespective of region.

With its global footprint, Keypath seeks to "build once, launch globally" by leveraging in-house expertise to launch highly complex programs in new geographies, tailored to specific local needs and markets.

Since 2019, Keypath has developed placement services globally and built a leading clinical field expertise achieving over 10,000 clinical placements.

25
Partners with Healthcare[1] programs
18 of which have student placement services

51%
Growth in Healthcare[1] revenue
FY22 vs FY21

47%
FY22 Healthcare[1] revenue
as % of total

14k+
Clinical and field placement relationships

95
Healthcare[1] programs

~340
Healthcare systems

10k+
Clinical placements

How Keypath wins in the Healthcare vertical

"MAKING COMPLEX HEALTH PROGRAMS WORK ONLINE"

CHALLENGE TO EXPANDING CAPACITY:

- ✗ Finding clinical placements
- ✗ Finding qualified faculty
- ✗ Finding ample space
- ✗ Navigating regulatory complexities
- ✗ Finding financial resources

FUTURE-PROOFING THROUGH INNOVATION:

- ✓ Embracing inventive program delivery models
- ✓ Expanding student base demographically
- ✓ Evolving course content and topic areas
- ✓ Integrating new technologies into learning
- ✓ Re-envisioning practical and lab-based learning

COURSE DEVELOPMENT

» Design once complex, skills-based courses and expand globally

FACULTY RECRUITMENT

» Provide institutions with a plan for faculty expansion based on data-driven assessment of positions needed and hiring requirements for a particular program
» Work with program administrators to provide orientation and training

CLINICAL PLACEMENTS

» Leading clinical field expertise facilitates clinical placements ideal for student and clinic
» Scale built over three years is a key competitive advantage

MARKET LEADING AND EXPANDING INNOVATIVE PRODUCT OFFERING

» Existing and expanding market-leading innovative product offering
» On a global (not regional) basis

1. Healthcare includes Nursing, Health and Social Services verticals.

Case study:

Keypath's distance Accelerated Bachelor of Sciences in Nursing

A prominent example of Keypath helping partners solve the enormous shortages in Healthcare professionals is the distance Accelerated Bachelor of Science in Nursing ("ABSN") in the US; a faster track to a nursing qualification experiencing explosive growth:

» Serves the same need for students who have a bachelor's degree to move quickly through a pre-licensure program to become a Registered Nurse ("RN")
» Provides a faster track, with flexibility for adults looking to change careers into nursing
» Accelerated programs typically range from 12 to 19 months in length
» Complements existing residential ABSN program that a university may already offer
» There are only nine such programs currently in the US – Keypath is partnering on seven of them

BAYLOR UNIVERSITY

Baylor distance ABSN

» Created with Keypath to help solve the official shortage of licensed nurses in Texas
» Enrollment: 100+ students, growing to 300+
» For calendar year 2021 the National Council Licensure Examination ("NCLEX") first-time pass rate for the ABSN program was 96%

Baylor University Doctor of Nursing Practice

» Nationwide focus — preparing the next generation of leadership in Nursing
» 700 doctoral student from major national medical systems including:
  – University of Chicago, and Johns Hopkins
  – Students representing 44/50 US States

5-YEAR GROWTH:

14%

Growth in Registered Nurse job postings

55%

Growth in ABSN enrollment

Keypath is leveraging unique competencies

ESTABLISHED NETWORKS

» 1,985 agreements
» 14,000+ different sites
» ~340 Healthcare systems
» 2,800 active preceptors

COMPLIANCE

» Monitor for changes
» Collaborate with university
» Communicate with students

DEDICATED PLACEMENT TEAM

» Research
» Source
» Support

TECHNOLOGY AND DATA

» Health clearance integration
» Hour tracking
» Evaluating and Reporting

Sources: Burning Glass Labor Insights, NCSBN 2020 NCLEX Examination Statistics, 2020–2021 AACN Enrollment & Graduations in Baccalaureate and Graduate Programs in Nursing.

Growing Healthcare OPM offering

Growing Healthcare focus in Asia-Pacific

The Healthcare OPM model is a growing focus in Asia-Pacific ("APAC") with Keypath already a market leader and exceeding partner expectations.

With a third of prospective students in Australia considering education in "health services" and around 30% of Keypath's APAC portfolio being in the Healthcare vertical, Keypath is building its Healthcare focus from a strong foundation.

33% of prospective students would consider something in "Health Services"[1]

>5x actual intake vs target for a new intake of University of Canberra Master of Counselling

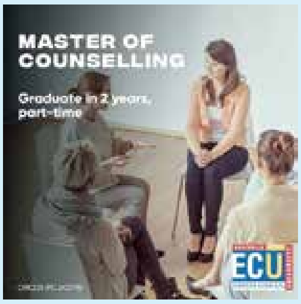
~30% of Keypath APAC portfolio is in the Healthcare vertical: Nursing, Health and Social Services

3,500+ Enrollments in the first two years of James Cook University Graduate Diploma in Psychology

~40% of APAC FY22 Healthcare program revenue from Social Services programs (i.e. psychology, counselling) and we expect that to grow significantly into the future

Case study: Master of Counselling (Edith Cowan University)

A good example of this is the Master of Counselling at Edith Cowan University (ECU) which is addressing the demand for counselling in Australia.

STRONG DEMAND	BEING MET ONLINE		WITH SATISFIED STUDENTS
24% Counselling employment growth[2] **3,472** "Counselling" Job Postings[3]	» Keypath's product and market intelligence identified an online Master of Counselling program as an opportunity and approached partner ECU about the possibility given their experience and expertise in the discipline. » The successful ECU ground Master of Counselling and Psychotherapy remained small due to the face-to-face nature of the curriculum and specific accreditation requirements. » By creating a slightly different Master of Counselling product that was more generalist, ECU could extend its reach. » ECU was interested in also growing revenue and reinvesting funds back into the school/faculties, labs.		"Counselling and psychology have interested me for a long period of time; however, psychology was not an option as it was cost prohibitive, statistics heavy and the goal posts for practicing seemed almost unobtainable. I was more interested in counselling from the outset, however there were no online courses offered for this until I recently became aware of the online Edith Cowan Master of Counselling. This course being offered online was a game changer and undertaking this course will change my life and hopefully many more with the people I can help in the future after completing it."

Employee testimonial

"I love being surrounded by people who really care about me as a person and want to foster my growth. I know they're invested in me, and I think that's rare to find."

"During the COVID-19 lockdown, I was able to communicate with my team every single day and share in their personal joys that included newborn infants and marriages. Keypath creates a comfortable space where you get to know people, and it really is the people that make Keypath so great. I love being surrounded by people who really care about me as a person and want to foster my growth. I know they're invested in me, and I think that's rare to find. It makes me feel very lucky and grateful."

Nicole Bernadowitsch
Team Lead,
Student Success Advisor,
Toronto, Canada

1. Honeycomb primary research survey 2020; Online survey interviewing n=317 "prospective students".
2. Counselling is expected to grow 24% between 2019–2024 according to Job Outlook.
3. According to Burning Glass job statistics, there were 3,472 job postings for counsellors between Aug 2019–2020.

Expansion into Southeast Asia

While the established markets in North America and Australia are an important focus for Keypath's growth strategy, the Company continues to evaluate new university partners in other regions.

In 2020, Keypath signed its first partnership with a Malaysian university, Sunway University, which is also our first OPM partnership for the Southeast Asian region.

Sunway is rated internationally as a 5-star university by Quacquarelli Symonds ("QS").

This was followed in 2021 by Keypath signing its first partnership in Singapore with the Singapore Institute of Management, a leading private education provider founded in 1964 with 165,000 alumni and approximately 17,000 students.

Keypath chose to enter the Southeast Asian market due to it being the world's largest EdTech growth region:[1]

» The Southeast Asia population is over 650 million people.
» Keypath has chosen – initially – two markets with high English language use.
» These are digitally savvy markets which have among the largest smartphone/mobile internet usage on Earth[2].

In addition, there is major government support and policy changes in favor of online education:

» Malaysia Ministry of Education announced sector-wide support since 2017; the Malaysia Higher Education Blueprint 2015–2025 describes key initiatives to provide an environment conducive to online learning including globalised online learning and transformed higher education delivery[3].
» Skills Future initiative launched by Singaporean Government to address skills gaps can be met through online education delivery.

1. https://monitor.icef.com/2018/10/study-projects-dramatic-growth-global-higher-education-2040
2. HolonIQ.
3. https://www.kooperation-international.de/uploads/media/3._Malaysia_Education_Blueprint_2015-2025 HigherEducation.pdf

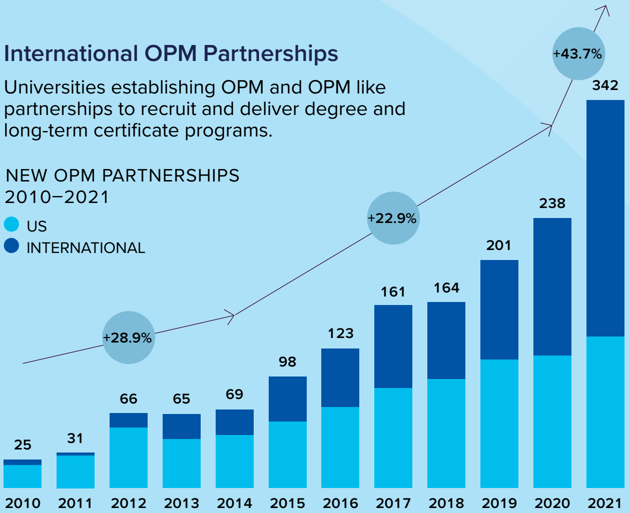
Expansion into Southeast Asia

Fastest growth in international OPM model with significant education investment in Southeast Asia expected

International OPM Partnerships

Universities establishing OPM and OPM like partnerships to recruit and deliver degree and long-term certificate programs.

NEW OPM PARTNERSHIPS 2010–2021



Source: HolonIQ, January 2022.

And Southeast Asia is leading ...

"ASEAN's population is now over 620 million people (nearly 10% of the world's population) with 210 million under the age of 30. If ASEAN was a nation state it would rank second in the value of foreign investment flows and third in mobile phone subscriptions, and is the world's fifth-largest market for cars. Surges in education investment are next."

HolonIQ.

Our expansion in Southeast Asia has begun with leading private institution partners in two major markets. Our strategy is to build two enterprise-level partnerships, initially across the business and STEM/Future of Work areas, with Healthcare to follow.

Large private university in Malaysia

PARTNER 1: SUNWAY

SUNWAY UNIVERSITY

KEY FACTS:

» Private, not-for-profit university – established in 2004, owned by the Sunway Group
» Ranked in "World Top 50 Under 50" (QS) and "Top 200 Universities in Asia" (QS)

PROGRAMS SIGNED AND FIRST STUDY PERIOD – NOV 2021

» MBA
» Master of Data Science

FUTURE PROGRAM PIPELINE

» Programs in Business and Future of Work verticals

Large private university in Singapore

PARTNER 2: SIM

SIM Singapore Institute of Management

KEY FACTS:

» Leading private education provider founded in 1964
» 165,000 alumni and approximately 17,000 students
» Multiple international partnership with universities to deliver Master's Degrees

PROGRAMS SIGNED AND FIRST STUDY PERIOD – JULY 2022

» Graduate Diploma in Business Management
» Graduate Diploma in Data Science
» Graduate Certificate in Business Analytics
» Graduate Certificate in Analytics
» Graduate Certificate in Cybersecurity Management
» Graduate Certificate in Digital Marketing
» Graduate Certificate in IT Management
» Graduate Certificate in Human Resources Management

Building on this strong foundation: long-term value-enhancing growth

Keypath is focused on building long-term value-enhancing, sustainable growth for the benefit of its partners, their students, its people, shareholders and society more broadly.

With the continued compilation of data from KeypathEDGE, Keypath is proactively and analytically transitioning its focus and investment into newer vintages comprising programs with improved growth and unit economics profiles.

Continued expansion in Healthcare and Southeast Asia is providing the foundation for future growth.

Partner testimonial

"...we value Keypath's ongoing support in strengthening our existing markets and new online markets, navigating technological advances, and showing us how to respond to a shifting online market post-pandemic."

"As an early and long standing Keypath educational partner, we will always highly recommend Keypath Education to friends and colleagues and promote our successes.

As we have matured the partnership for close to eight years, we value Keypath's ongoing support in strengthening our existing markets and new online markets, navigating technological advances and showing us how to respond to a shifting online market post-pandemic."

Erica Wilson

Southern Cross University
Pro Vice Chancellor
(Academic Innovation)

OPM industry overview

Keypath operates in the global online higher education market which was worth approximately US$36 billion in 2019[1] and is expected to grow to approximately US$97 billion by 2025,[2] representing a CAGR of 18%.

This presents Keypath with a significant market opportunity given its global platform spanning four continents and that the online segment is expected to increase its penetration from 2% to 5% of the broader global higher education industry by 2025.

1. "Global Online Degree and Micro-Credentials Market", HolonIQ, March 2021.
2. "Global OPX/OPM Market", HolonIQ, March 2021.

Scale of Global OPM market

Keypath operates in the OPM segment of the global online higher education market. OPM providers offer a set of services and a commercial model to assist universities with building and launching online programs in a faster and more effective manner.

Spend in the global OPM market was approximately US$5.7 billion in 2020 and is expected to grow to approximately US$13.3 billion by 2025, representing a CAGR of 19%.[3]

GLOBAL ONLINE DEGREE AND MICRO-CREDENTIALS AND GLOBAL OPM MARKET SIZE

US$ 2019–2025

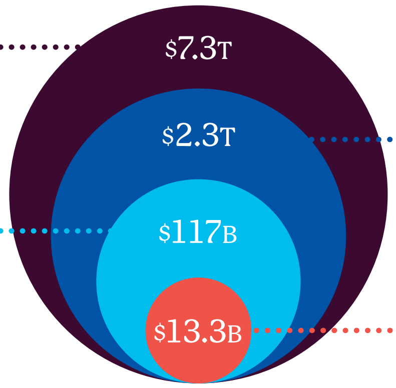
GLOBAL EDUCATION

Growing from $6.1T in 2019 at 3% to $7.3T in 2025.

GLOBAL ONLINE DEGREES AND MICRO-CREDENTIALS

Growing from $45B in 2019 at 17% to $117B in 2025.

2% ($45B) of Global Post-Secondary ($2.2T), growing to 5% ($117B) by 2025 ($2.3T).



GLOBAL POST-SECONDARY EDUCATION (HIGHER EDUCATION AND TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING)

Growing from $2.2T in 2019 at 0.7% to $2.3T in 2025.

GLOBAL OPM MARKET

Growing from $5.7B in 2019 at 19% to $13.3B in 2025. OPM revenue, not OPM powered total tuition.

In particular, online program partnerships have been the fastest growing type of university academic partnerships with growth predominantly coming from outside the US, benefitting OPM providers with international platforms, such as Keypath.

594 universities established an OPM, Bootcamp or Pathways partnership in 2021 to accelerate their institutional objectives.

NUMBER OF NEW ACADEMIC PARTNERSHIPS ESTABLISHED BY GLOBAL UNIVERSITIES EACH YEAR (2010–2021)

The three categories below are mutually exclusive

INTERNATIONAL STUDENT PATHWAY PARTNERSHIPS

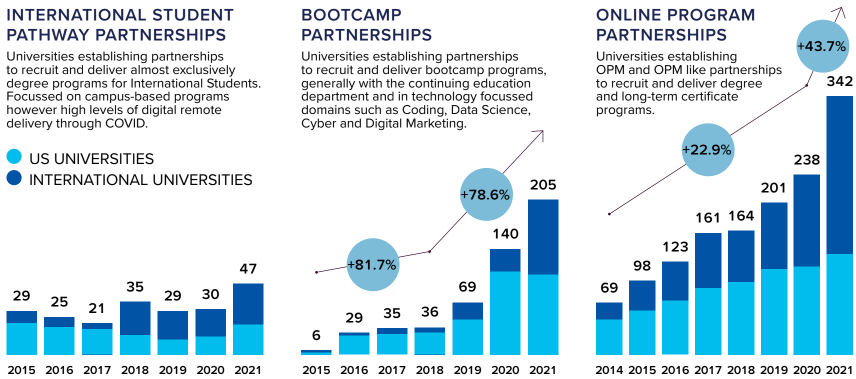
Universities establishing partnerships to recruit and deliver almost exclusively degree programs for International Students. Focussed on campus-based programs however high levels of digital remote delivery through COVID.

BOOTCAMP PARTNERSHIPS

Universities establishing partnerships to recruit and deliver bootcamp programs, generally with the continuing education department and in technology focussed domains such as Coding, Data Science, Cyber and Digital Marketing.

ONLINE PROGRAM PARTNERSHIPS

Universities establishing OPM and OPM like partnerships to recruit and deliver degree and long-term certificate programs.



Source: HolonIQ, January 2022.

Partner testimonial

“Our partnership with Keypath has enabled us to expand the reach of our programs and impact on students in a way that wouldn’t have been possible without them.”

“Partnerships with OPMs like Keypath are a critical way for universities to maximize their impact with the resources that they have. For a university like ours, having access to Keypath’s expertise in understanding the emerging areas of student demand and their deep expertise in designing high quality online educational experience, has been invaluable.

Having had the opportunity to work with Keypath, I see the capabilities, expertise and capital that they bring as indispensable core infrastructure. It seems obvious to me that over time, more and more universities will need to partner with OPMs like Keypath to succeed in a rapidly changing environment.”

Professor Nick Wailes

UNSW Business School
Director of the Australian Graduate School of Management and Senior Deputy Dean (External Engagement) at UNSW Business School

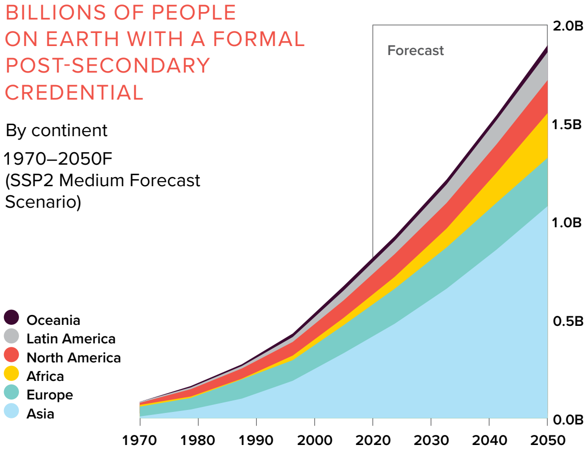
3. “Global OPX/OPM Market”, HolonIQ, March 2021.

OPM industry overview

BILLIONS OF PEOPLE ON EARTH WITH A FORMAL POST-SECONDARY CREDENTIAL

By continent

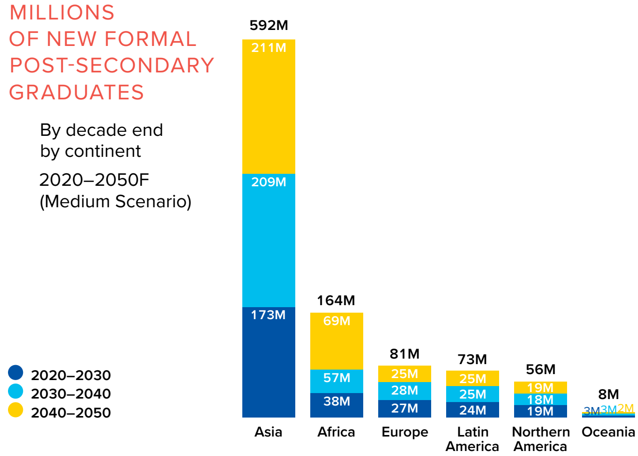
1970–2050F
(SSP2 Medium Forecast Scenario)



MILLIONS OF NEW FORMAL POST-SECONDARY GRADUATES

By decade end by continent

2020–2050F
(Medium Scenario)



Source: HolonIQ, Wittgenstein Centre Medium Forecast Scenario (SSP2), 2019. Continents capture students from their home market, not their study destination.

Long-term global growth in post-secondary education

Post-secondary education is seeing enormous global growth with an additional one billion post-secondary graduates expected over the next 30 years. Over 50% of these students are expected to come from Asia with many seeking an English based degree or credential.

With its global platform, track record and experience entering new markets, including Southeast Asia, Keypath is ideally positioned to participate in this long-term growth.

OPM business models

Universities around the world are facing rapidly increasing market demand and technological opportunity for delivering courses online.

To meet this demand, universities are increasingly turning to long-term, strategic partnerships with OPM providers such as Keypath to leverage both financial investment and expertise for handling complexity, thereby optimizing the student experience.

Under such a partnership with Keypath, the university maintains academic control of all programs and courses including establishing the academic calendar and entrance qualifications for prospective students, making all curriculum, admissions and tuition pricing decisions, teaching all courses and conferring the certificate or degree.

The primary business model in the OPM industry is the tuition share model: a long-term and full-service model whereby an OPM provider funds the initial capital required to launch the online programs and provides a suite of services throughout the life of the programs, in exchange for a share of the tuition fees (for example, as a percentage of total tuition fees). This is a classic "win-win" business model where each partner only succeeds if both partners do, and is the model adopted by Keypath.

The other model adopted is the fee-for-service model where universities pay a defined fee for each selected service with no long-term revenue share arrangements.

Employee testimonial

"Leaders and managers, and people even higher up, give you the support and love to show that they cherish you and they really want to help you."

"When I first came here, I was very nervous about being myself and how I would be judged. Keypath gave me the space to be who I wanted to be and allowed me to play to my strengths. I've fallen in love with working here. I've worked at many different companies, and the things that I've always sought are what Keypath offers. Leaders and managers, and people even higher up, give you the support and love to show that they cherish you and they really want to help you. My favorite thing about Keypath is the love, support and acceptance given to all Keypathers, which is why this is such a successful business."

Terry Magelakis
Team Lead,
Student Success Advisor,
Melbourne, Australia

Drivers of online higher education

The key factors impacting the global online higher education and global OPM markets are:

Acceptance of online education by universities, students and industry

- Accelerated by COVID-19, higher education industry concerns around the learning outcomes, student engagement and university and industry acceptance of online education have largely been eliminated, leading to a widespread embracing of online education.
- This is particularly the case in areas such as Healthcare, where Keypath's market leading clinical placement capacity has enabled the online delivery of many Healthcare courses, which were previously thought not to be capable of being successfully offered online[1].

Digital marketing expertise of OPM providers

- Expenditure on digital marketing channels to advertise and recruit students for online programs can be material.
- An OPM provider with digital marketing expertise has the investment capability and can be more cost effective for the university.
- Based on our deep understanding of online students and their needs along their decision-making process, we are the market experts in identifying clear audience segments, targeted messaging and channels to drive the optimal outcomes for both students and our university partners.
- Our fully integrated marketing campaigns help drive conversion along the pipeline from awareness to enrollment and include a mix of digital (search engine optimization ("SEO"), pay-per-click ("PPC"), social media, affiliates, sponsored content) and thought leadership content across blogs, emails and SMS. These programs are always on and continually optimized to maximize performance.
- As a result, our marketing programs are created to maximize the opportunity to recruit the right students for our university partners and are proven to be effective and efficient in attracting and retaining students for the university partner at scale.

Limited on-campus capacity coupled with significantly increasing demand in complex verticals

- The online delivery of education provides a scalable method to deliver programs to additional students beyond the limitations of a university's on-campus capacities and geographic reach.
- This has become particularly relevant with the recent significant shortages of skilled workers in areas such as STEM and Healthcare[2] creating huge demand for growing education and training capacity, regardless of location, to meet the global shortages of skilled workers in these essential fields.
- The increasing complexity of online degrees in areas such as Healthcare are well suited to OPMs (like Keypath), who have developed a track record of embracing this complexity and can apply this to new partners and programs.

Competitive landscape

Keypath competes in a global OPM market comprising an estimated 200 providers servicing over 600 higher education institutions.[3] In 2019, the top 10 providers made up approximately 60% of spend in the global OPM market; however, the competitive dynamics vary between geographies.

Some OPM providers offer selected program capabilities, while a few, including Keypath, provide a broad spectrum of program capabilities, in undergraduate and postgraduate courses along with non-degree (graduate certificate) or degree programs in a wide array of disciplines.

Additionally, OPM providers can be grouped according to:

- providers with larger customer bases, such as Keypath, that typically have 30+ partners operating across multiple jurisdictions with programs in a broad range of disciplines
- providers with smaller customer bases, sometimes more targeted at specific disciplines or degree levels
- massive online open course ("MOOC") providers that offer single courses and specializations available to anyone

OPM providers compete on a range of factors, including their experience or track record in a geographical location or discipline; breadth of solution offered; knowledge and data driven expertise; technical capacity driven by the provider's technology platform[4]; and cost.

Universities around the world are facing rapidly increasing market demand and acceptance for delivering courses online and, to meet this demand, universities are increasingly turning to long-term, strategic partnerships with OPM providers, to leverage the OPM provider's capacity for investment and handling the complexity of optimizing the student experience.

Keypath, with its OPM market pioneering leadership team, track record globally and across key disciplines, and data and technology insights, is ideally positioned to partner with universities to create highly successful in-demand programs.

1. See "Who is Keypath?" section for more details.
2. See "Growing Healthcare OPM Offering" section for more detail on Keypath's Healthcare OPM offering.
3. HolonIQ Market Research, May 2021.
4. See "Who is Keypath?" section for more details on Keypath's competitive position on these factors.

Who is Keypath?

Keypath is a leading global EdTech company that partners with universities to deliver market-led, online higher education programs.

Keypath university partner programs attract students looking to upskill or reskill to prepare for the future of work in an increasingly knowledge-based economy facing significant skills shortages, particularly in areas such as Healthcare.

Keypath has nearly 750 employees around the world and operates out of offices in Chicago, Kuala Lumpur, Melbourne, Sydney and Toronto.

KEYPATH'S GLOBAL NETWORK OF UNIVERSITY PARTNERS BY FINANCIAL YEAR

	ASIA-PACIFIC	NORTH AMERICA AND REST OF WORLD
FY15	**AU 1st Partner** Southern Cross University	**US 1st Partner** Central Christian College Spring Arbor University
FY16		Kettering University St Bonaventure University
FY17	RMIT University	Florida State University **CA 1st Partner** Wilfrid Laurier University
FY18	James Cook University	**UK 1st Partner** Aston University University of Exeter Walsh University
FY19	Deakin University Edith Cowan University Victoria University	Baylor University Carson Newman University Michigan Technology University Suffolk University
FY20	University of New South Wales University of Technology Sydney	Emerson College Texas Women's University
FY21	**S.E.A 1st Partner** Sunway University University of Canberra	Elmhurst College Keuka College Marymount University University of Ottawa Pepperdine University Wilkes University Worcester Polytechnic Institute
FY22	Singapore Institute of Management	University of Findlay Holy Family University University of Indianapolis Ithaca College Rockhurst University Spalding University

History timeline

Keypath was founded in Chicago in 2014 as a full-service OPM and has grown to provide:

» market research
» program design and development
» faculty training
» marketing and student recruitment
» student support services
» field and clinical placements

In 2015, Keypath launched its first partnerships in the US and Australia before expanding into Canada in 2017, the UK in 2018, Malaysia in 2020 and Singapore in 2022.

To address the complexity of delivering clinical placements (the practical component of Healthcare programs where the student undergoes training in a clinical setting) for online Health and Social Services programs where clinical placement is a requirement of accreditation, Keypath launched its clinical and field placement solution in 2019.

Keypath has grown its network of globally ranked universities and is a market leader in Australia, where it has partnered with as many universities since 2014 as its competitors combined.[1]

1. HolonIQ Education Market Intelligence Platform, accessed 1 March 2021.

Who is Keypath?

Business model

Keypath provides bundled marketing, admissions, course development and placement OPM services to its university partners, who are, in turn, responsible for providing academic content, the appointment and coordination of faculty, determining the student capacity of each program, assessment, granting credits and degrees, and making all decisions regarding student admission and registration criteria.

Keypath earns revenue from a share of tuition fees, typically ranging from 40% to 60%, paid to its university partners by students enrolled in the online programs delivered by Keypath. Tuition shares are agreed with Keypath and its university partners for each program prior to launch.

Keypath's business model is designed to align with the long-term success of its university partners. The successful launch and growth of these online programs allows universities to prudently increase enrollments in high-demand, industry-aligned disciplines. By offering flexible study options and access to a student advisor and support services, including placement services where required, Keypath promotes student outcomes and retention, further supporting revenue generation.

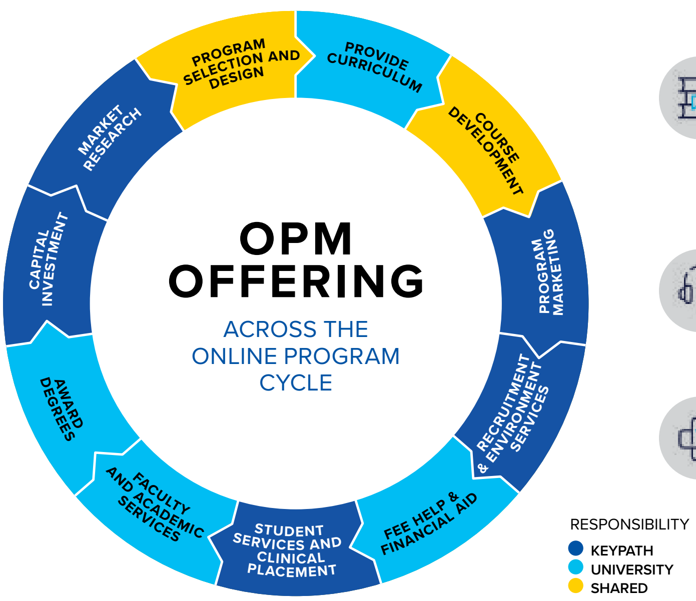
Keypath incurs the upfront costs for course design and development, marketing, student recruitment and support, together with its ongoing investment in technology, and earns revenue from a program from the first starts of enrolled students through the life of the program term, with an average contract length of nine years.

Keypath provides universities with the opportunity to offer an online program with lower upfront investment which lowers the university's financial risk for that program term.

Keypath's ability to make these required upfront investments is supported by long-term contracts that generate returns over the life of each program.

Keypath also solves the complexity of creating high quality online programs by harnessing the track record and experience of the company and all Keypathers.

KEYPATH OFFERS THIS
END-TO-END OFFERING ACROSS THE PROGRAM LIFECYCLE



KEY SERVICE FEATURES

Keypath has developed a searchable library of **more than 250 proprietary course design templates** to provide its university partners a wide choice of "pre-built" learning experience to include or adapt in their courses

Keypath launched its student placement services in 2019 and has since been able to grow this service to 18 university partners

The KeypathEDGE platform maintains Keypath's network and database of Healthcare providers in the US, providing access to over **14,000 clinical and field placement relationships** across 49 states with specific access to approximately 340 of the major US health systems

Driven by our vision and mission

Keypath is driven by our vision and mission as a key part of the online higher education ecosystem:

STRATEGIC VISION

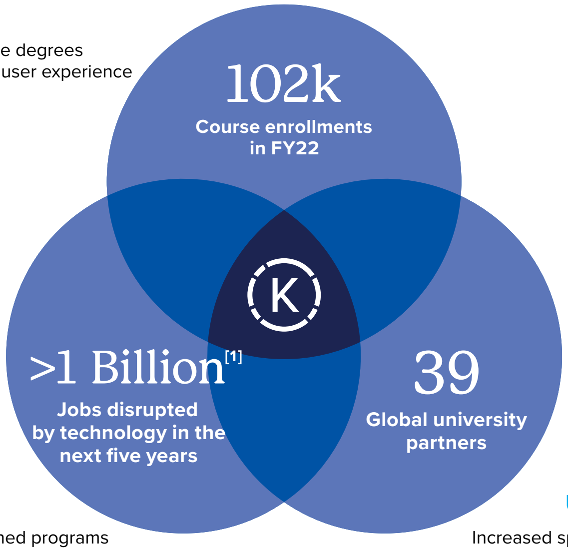
Transform Education, Transform the World: to be the global leader in education transformation – the key that unlocks greatness in educators and individuals

COMPANY MISSION

Unlock greatness: in educators – in individuals – in our people

Students

Access to online degrees with enhanced user experience and flexibility



Industry

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

Universities

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

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

KEYPATH GENERATES REVENUE THROUGH THE DESIGN, LAUNCH AND MANAGEMENT OF ONLINE PROGRAMS FOR UNIVERSITY PARTNERS

PARTNERSHIP FORMATION | DEVELOPMENT AND LAUNCH | GROW | OPTIMIZE

STRATEGY

PRE-CONTRACT

Institutional discovery and Program Blueprint workshop held

Program Blueprint Strategy Brief developed

Institutional Insights Report delivered

Launch and operational integration plan development

DEVELOPMENT

PRE-LEAD GENERATION

Development of marketing assets

Launch Visit and Course Development workshop

Admissions and enrollment process build and team training

Technology access and integration

RECRUITMENT

POST-LEAD GENERATION

Marketing campaign goes live

Student recruitment begins

Build student support processes

Complete admissions decisions and register students for 1st term

1st term online courses are launched

ANALYSIS

POST-CLASS START

Transition plan

Post-launch debrief

PROGRAM AND PORTFOLIO GROWTH

REVENUE SHARE CONTRACT

Targeting Program contribution margin (at scale) ranges between 40–60%

Focus on margin expansion and updating courses

Expand portfolio of programs within partnership

Extend contract

REINVEST

ONGOING

Provide ongoing data-driven support and reinvestment into programs and student experience to continue to drive enrollment and student retention

CONTRACT SIGNED

MARKETING STARTS

COURSE STARTS

Time from contract signing to first intake typically 6–8 months

Who is Keypath?

A unique combination of competitive strengths

Keypath has developed a unique combination of competitive strengths since its beginnings in 2014:

1. **Market pioneering leadership:** Led by the CEO, Steve Fireng, the Keypath management team pioneered the OPM market in the US and Australia and have over 100 years of combined education sector experience.
2. **Global footprint:** Keypath's global footprint enables its continued strong growth with the benefits of geographic and vertical diversification. The OPM market is growing fastest outside the US with Keypath at the leading edge of this growth with its entry into Southeast Asia. In many of our regions we enter enterprise agreements (i.e. agreements to work across the university) with our partners to expand our programs into new verticals.
3. **Experts in high demand degree verticals:** Keypath is a global leader and expert in large, complex, in-demand and fast growing verticals (e.g. Healthcare and STEM) which is difficult to replicate.
4. **Proprietary technology:** Keypath is able to deliver optimized skills shortage identification and program delivery through KeypathEDGE, driven by data from 178 online programs in Keypath's global history, further augmented by leading workforce, industry, education, government and marketing data and analytics platforms.

These competitive strengths are what set Keypath apart from other OPM providers and the reason why our university partners choose Keypath when selecting an OPM partner to provide the highest quality OPM offering.

KeypathEDGE: our proprietary end-to-end technology and data platform

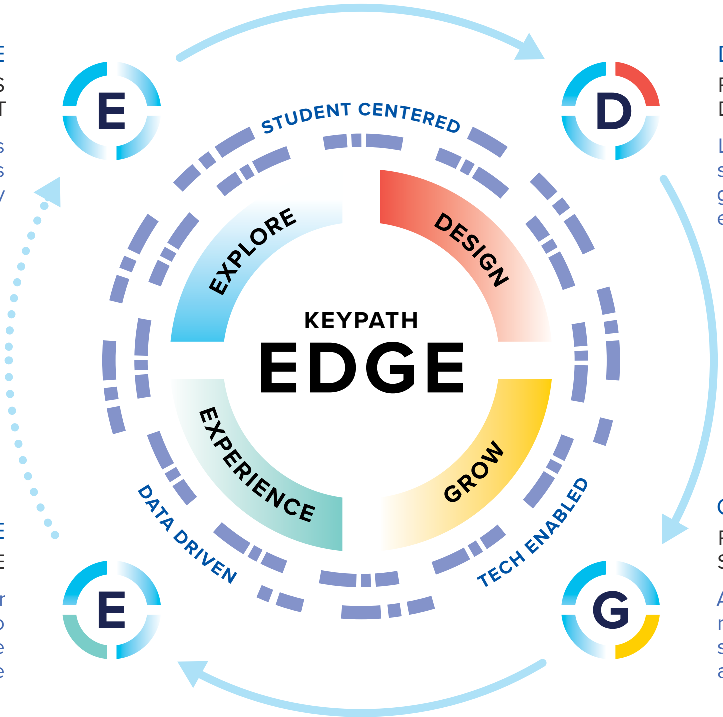
KeypathEDGE provides market intelligence and predictive analytics across the student journey, ensuring our programs deliver exceptional outcomes for our education partners and their students.

KeypathEDGE data analytics platform is the Company's integrated technology and data tool that significantly improves the enrollment and retention rates of university partners and students. Analyzing proprietary data acquired from our 178 online programs, our KeypathEDGE platform operates with the entire ecosystem of relevant and meaningful data including third-party data on environmental and industry trends, demand drivers, success factors and financial metrics.

THE KEYPATHEDGE PLATFORM
SUPPORTS THE FOUR KEY STAGES OF KEYPATH'S ONLINE PROGRAM DELIVERY

EXPLORE
PREDICTIVE ANALYTICS AND MARKET ASSESSMENT
Data analysis to assess market opportunities globally

DESIGN
PROGRAM DESIGN AND DEVELOPMENT
Leading learning programs seeking to deliver on skills gaps and exceed student expectations



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

GROW
PROGRAM MARKETING AND STUDENT RECRUITMENT
Agile and scalable marketing, recruitment and placement systems, based on predictive analytics

SAMPLE OF KEYPATH'S DISCIPLINES

PROGRAM NAME	LEVEL	DISCIPLINE	PROGRAM LENGTH
Doctor of Nursing Practice	Doctorate	Nursing	3.3 years
Ph.D. in Nursing	Doctorate	Nursing	3 years
Master of Science in Nursing-Family Nurse Practitioner	Masters	Nursing	2.3 years
Accelerated Bachelor of Science in Nursing	Undergraduate	Nursing	1 year
Master of Social Work	Masters	Social Services	3 years
Graduate Diploma Psychology (Bridging)	Diploma	Social Sciences	1.6 years
Master of Business Administration	Masters	Business	2 years
Grad Cert Digital Marketing Leadership	Grad Cert	Business	8 months
Master of Science in Data Science	Masters	Comp and Info Sc.	1.6 years
Master of Science in Computer Science	Masters	Comp and Info Sc.	2.3 years
Master of Cybersecurity	Masters	Comp and Info Sc.	2 years
Grad Cert in Business Analytics	Grad Cert	Comp and Info Sc.	8 months
Ed.D. in Educational Leadership and Organizational Innovation	Doctorate	Education	2.6 years
MSED in Counsellor Education, Clinical Mental Health Counselling	Masters	Education	3 years

Optimal targeting and growth in partners and programs

Since launching its first program in 2015 in the US, Keypath has grown to partner with 39 universities in Australia and the US, along with Canada, the UK, Malaysia and Singapore. Keypath currently delivers 178 active programs with its university partners and has provided high-quality online education in disciplines including business, Nursing, STEM, Health and Social Services, and education, predominantly for postgraduate degrees. The continued aggregation of data from KeypathEDGE drives optimal targeting and growth in partners and programs for the benefit of partners, students and industry.

The strength of Keypath's relationships with university partners is evidenced by:

- **A strong, growing number of globally ranked university partners and a market-leading position in Australia:** Keypath is the leader in the number of partnerships launched in Australia since 2014, with nine partnerships.
- **Growth in programs offered within existing partner universities:** Keypath has added 88 new programs with existing partners since their original signing, almost doubling the aggregate number of original programs with those universities.
- **Renewal of existing agreements:** university partners have elected to renew agreements with Keypath, indicating the financial and student outcomes as the main reasons they renewed.
- **Long-term contracts:** university partners have expressed comfort entering long-term contracts with Keypath, with an average initial contract term length of approximately nine years.

Some disciplines in which Keypath currently offers programs are listed above.

Examples of ways in which online programs may be delivered to students include:

- custom media and interactives built to enhance instruction and practice
- relevant assignments, cases and projects crafted to assess authentically and challenge students to solve real-world problems
- varied learning experiences that enhance student engagement and community, such as discussion boards, debate forums, polls, group work, custom-built collaboration tools and live sessions
- objective-aligned course materials and assessments that ensure academic rigor and specific measurement of competencies

Keypath targets programs that address skill shortages, particularly where specialization in complex areas can generate competitive advantages. Two examples of these disciplines are Healthcare and STEM.

Who is Keypath?

High long-term returns on capital

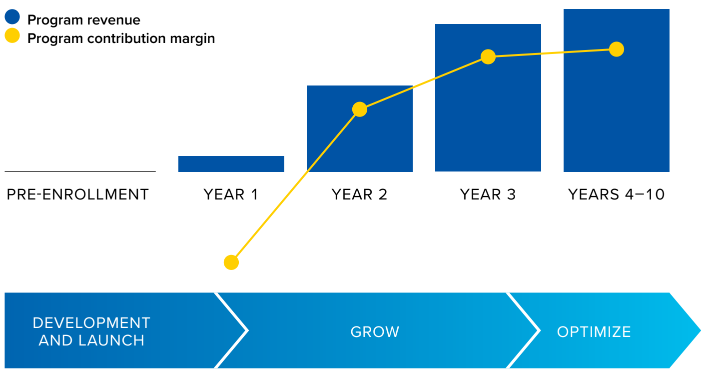
The win-win unit economic model of a 40–60% revenue share at a 40–60% contribution margin has been proven by the performance of our mature vintages:

» Programs with 1st student intake in FY18 and prior (mature vintages) achieved 46.0% contribution margin in FY22.
» Even with US$19 million of investment in our most recent vintages in FY22, FY22 contribution margin is strong at 18.6%.
» As the FY21 and FY22 vintages (the largest in our history) mature through the unit economic model, returns will increase significantly.
» Our FY23 and FY24 vintages are also expected to be of similar size to FY21 and FY22 and we have already signed 32 and 12 programs from those vintages respectively.

These recent vintages are bigger investments leading to larger returns and we are fully funded for our current vintages and growth pipeline.

A proven unit economic model

ILLUSTRATIVE TARGET PROGRAM UNIT ECONOMICS



US$500k–US$1M
Average total cash investment by Keypath per program

15–24 months
To initial cash breakeven

30–40 months
To generate cash equal to total cash investment

40–60%
Revenue share with partners[1]

40–60%
Contribution margin at maturity

Partner testimonial

“We’ve had a great experience working with Keypath, in part because both organizations are committed to success.”

“We chose Keypath as our online education partner because after we met a number of different OPM companies, we felt a great fit between Keypath and Marymount. Our core values are consistent and we are excited that both organizations are devoted to quality education and innovation and are both very agile. We’re happy that we found a partner with Keypath, a company that really reflects our Marymount values. We’ve had a great experience working with Keypath, in part because both organizations are committed to success. I communicate closely with the president of Keypath, Steve Fireng, and we have no problem jumping on a call together when there are issues that we need to resolve and work through mutually. Together, our agility, commitment to high quality, and delivering a student experience that is second to none are the keys to our successful partnership.”

Irma Becerra

Marymount University
President

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.

Multiple strategies for further growth

Keypath's business is underpinned by multiple strategies for growth around our existing portfolio, expanding partners and programs, entering into new markets and adding new products each year. Longer-term growth will be supported by executing targeted mergers and acquisitions.

Balance sheet is strong for growth

Keypath's IPO in 2021 provided the capital to capture the significant growth opportunities available in the OPM market, driven by the rapid increase in demand for online education.

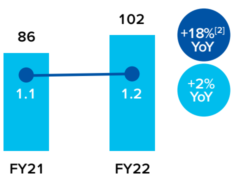
Keypath is highly disciplined and only allocates capital to its highest returning uses. Total cash on hand as of June 30, 2022 of US$59.2 million (no debt) with a cash burn of only US$8.3 million in FY22; Keypath is fully funded for organic growth before positive internal net cash generation, with Adjusted EBITDA profitability targeted for H2 FY24.

GROWTH DRIVERS

Grow enrollments within existing portfolio

Data-driven approach to growing enrollments through KeypathEDGE platform in 178 active programs[1]

STUDENT COURSE ENROLLMENTS AND REVENUE PER ENROLLMENT OVER TIME

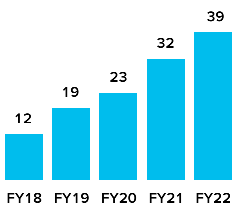


Course enrollments ('000s)
Revenue per enrollment (US$'000)

Sign new university partners in existing markets

Continued growth of university partners in existing markets seven new partners in FY22

NUMBER OF PARTNERS[3]



Add new programs with existing university partners

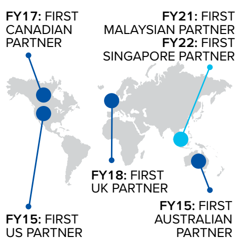
Launching new programs with existing partners

21

New programs with existing partners added in FY22 (47% of new programs added in FY22)

Expand into new markets

Drive expansion into new markets, notably Southeast Asia with Malaysia and Singapore launch and signing



Add new products each year

Continue to add new products in high demand verticals such as Healthcare and STEM

60.2%

Growth in Nursing revenue in FY22

35.3%

Growth in Health and Social Services revenue in FY22

With targeted M&A strategically over the long-term

1. As of June 2022.
2. Figures shown as of end of period indicated.
3. Reflects real change based on whole numbers not rounded.

Environmental, Social and Governance Report

Message from the Chief Executive Officer

I am pleased to introduce Keypath's 2022 Environmental, Social and Governance ("ESG") Report which outlines the positive sustainability practices and initiatives undertaken by Keypath in FY22 and provides information regarding our intentions for the future. Keypath partners with leading universities around the globe to deliver socially impactful online educational programs in an environmentally sustainable way with opportunity, accessibility and equality at the forefront of our business. We are the key that unlocks greatness in educators and their students – stakeholders that have the power to transform the world.

In pursuit of our vision to "Transform Education, Transform the World," we are committed to sustainability in all its forms: environmental, social and governance. We are working to minimize our environmental impact while maximizing the wellbeing of our employees and the quality of our education technology services – all while operating with and maintaining strong corporate governance.

We are proud of our inclusive and diverse culture at Keypath. We also recognize that it is critical we continue learning, growing and evolving to ensure the best Keypath experience for all of our stakeholders. By focusing on our people and culture in this way, we set the foundation for executing our strategy in the most impactful way, creating value for our partners, enriching communities through education and creating long-term returns for our shareholders.

Current ESG foundations:

While growing our business and navigating the lingering impacts of the COVID-19 pandemic, we progressed several important ESG initiatives in FY22 as further detailed in this report. Most notably, we:

- » Implemented a Work from Anywhere program and re-evaluated our physical space requirements, reducing our overall environmental footprint
- » With our university partners, launched 12 new Healthcare-focused degree and certificate programs in the fields of Nursing, Counselling and Health Administration to create opportunities and help solve Healthcare skills gaps and shortages
- » Secured 5,159 clinical and field placements, a 261% year-over-year increase, creating localized opportunity and social impact
- » Obtained SOC 2 Type 1 Certification validating the design sufficiency of our administrative, technical and logical controls related to data security and the SOC 2 principles
- » Proactively encouraged and facilitated initiatives to educate our workforce and share ideas among staff around sustainability

Our future ESG goals include:

- » Working with a third-party ESG ratings agency to obtain our rating and benchmark
- » Exploring a carbon emissions reduction strategy addressing Keypath's global carbon emissions, as appropriate
- » Undertaking a social impact project to involve employees in the giving of environmental and social benefit to those in need
- » Taking measurable steps to improve gender balance and diversity across the Company and intentionally expanding our outreach to under-represented groups through Keypath's hiring processes
- » Completing a SOC 2 Type 2 audit to confirm the effectiveness of our administrative, technical and logical controls related to data security and the SOC 2 principles over a period of time

We look forward to updating the market on these initiatives in future reporting.

Keypath's ESG reporting

Investors, employees and customers are increasingly evaluating a company's value proposition in a holistic way, including its sustainability impact. As a matter of importance, and as it relates to shareholder value, the Keypath Board of Directors through the People, Remuneration and Sustainability Committee ("PRS Committee") is responsible for oversight of the Company's ESG strategy and risks.

The Board, through the PRS Committee, receives periodic updates from management on emerging ESG matters that are relevant to Keypath. After consideration of ESG risks to the business and transparency to stakeholders for relevant risks and mitigation, the Board approves the ESG reporting topics and subsequently this ESG report.

Our Executive Leadership Team ("ELT") is accountable for ESG reporting supported by senior management from across the business who account for ESG matters in their functional roles.

ESG report

United Nations Sustainable Development Goals

Keypath supports the United Nations Sustainable Development Goals ("SDGs") as a framework for achieving a more sustainable future for the world. Keypath aligns its focus to the following SDGs that we consider most relevant to our business strategy, operations and purpose.

Keypath is adopting sustainable strategies for remote work and reduced office space while encouraging responsible consumption to minimize environmental impact.

As a global leader in online program management and education technology, Keypath has created opportunity and access to quality education with over 75,000 course enrollments.

Keypath invests in its people and culture by supporting their well-being and mental health. Keypath's university partnerships currently offer 88 online Healthcare programs to mitigate the shortage of skilled Healthcare workers.

Keypath's overall vision is to "Transform Education, Transform the World." By creating access to quality online education in skilled fields of need, Keypath is promoting decent work and economic growth in communities that otherwise do not provide opportunities for students.

Keypath is a place for everyone, where diversity is embraced and where all contributors, regardless of personal characteristics are celebrated.

Keystone approach

There are three keystones that underpin our approach to sustainable action.

Environmental Sustainability

» Minimizing environmental impact

Social Opportunity, Access and Equality

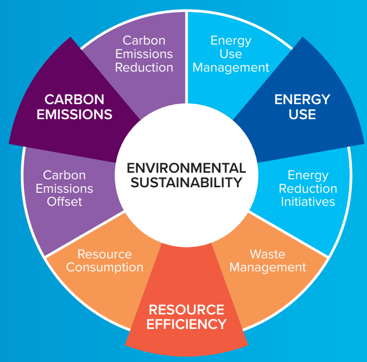
Community	Employees
» Creating social impact with greater access and opportunity for higher education	» DEI » Gender balance » Culture

Strong Corporate Governance and Data Security

Community	Employees
» Data and Security » Governance Policies	» Operating with responsible and ethical business practices

ESG report

Environmental Sustainability Keystone



Climate change is an issue of global significance and Keypath recognizes that every organization has a role to play in mitigating its impact. Driven by our vision to "Transform Education, Transform the World," we positively influence the environmental sustainability of our university partners and their students, our employees and the broader communities in which we operate.

As an online EdTech company, the environmental impacts from our business operations are primarily related to resources consumed in office settings (including home offices), data centers, commuter travel and from purchased goods and services. Keypath data centers remain, as last year, focused on energy conservation through efficiency; using renewable energy and energy advocacy to help stakeholders become more energy efficient. An assessment of Keypath's supply chain indicates that the top three supplier categories are professional services, information technology ("IT") and digital marketing services with the largest category of spend attributable to digital marketing services. Although the nature of Keypath's supply chain does not present a material business risk for sustainability, in future years Keypath will more fully evaluate its supply chain for opportunities to pass on Keypath's commitments to sustainability.

In FY22, we introduced a Work from Anywhere program for our employees. We believe that just as online education, or Learn from Anywhere, is sustainable, so too is our Work from Anywhere program. Through these online approaches to learning and working, we can make the most meaningful environmental difference in these areas:

» Energy use management including energy reduction initiatives
» Carbon emission reductions
» Resource efficiency and waste management

Energy use management and energy reduction

We are committed to reducing our energy use through local and global initiatives. With our Work from Anywhere program, less energy is consumed by commuter transportation and by using smaller offices there is a greater emphasis on virtual meetings and collaboration.

CASE STUDY –
Our Australian offices

Following the adoption of our Work from Anywhere program, a company task force considered the Australian office footprint and opted to enhance the working environment with sustainability and the future of work concept in mind.

In Melbourne, the task force planned for a more efficient use of space and, upon expiration of our existing office lease in Melbourne, Keypath secured a new lease for premises that reduces our office footprint by 50%. This is an even greater reduction in terms of square meter per employee as our Melbourne staff size has increased. The new Melbourne office is in a building that is highly rated as 5.5 Stars by NABERS where five Stars is a rating of "Excellent" in terms of energy intensity, greenhouse gas emissions and water consumption.

In Sydney, we now utilize a working space at The Hub. The Hub is a B Corp and in 2020 achieved carbon neutral certification for all business operations and locations, becoming Australia's first carbon neutral certified co-working provider.

More information on the NABERS rating can be found at www.nabers.gov.au/.

CASE STUDY –
Our Canadian offices

Keypath's Canadian employees responded favorably to the creation of a Work from Anywhere program that allows for hybrid working both remotely and in an office.

To accommodate the shift in approach, Keypath considered many factors for a new office space and managed the size requirements down by surveying employees to better understand their preferred work style under the Work from Anywhere program. Desks were eliminated based on employees' choice to work remotely several days a week or to work full-time remote.

With its new lease in Toronto, Keypath was able to reduce its office footprint by 28% and reduce desks by 38%. While physically smaller, the available space is used in a more sustainable way, including shared hot desks, gathering rooms and conference rooms equipped with video-conference technology. Additionally, there is an on-site building-wide recycling program.

ESG report

Employee engagement on environmental sustainability

We proactively encourage and facilitate initiatives to build awareness and share ideas amongst our people around energy use management and sustainability.

For, example, Team Green is comprised of volunteer employees throughout the company and part of their stated mission is to promote environmental values within the business through education and collaboration.

Team Green-led activities include:

- Staff engagement surveys to understand and help establish sustainability priorities
- Sharing educational content with staff, such as:
  - a recycling workshop
  - “Reducing Waste Month”
  - regular posts about building sustainable habits at home and in the office
  - raising awareness about environmental issues

Carbon emissions reduction activities

Work from Anywhere

Individual commuting has slowed greatly with an emphasis on workplace choice. In a recent company-wide survey, 82% of those responding indicate that with the option to work remotely they are using their vehicle far less with a majority reporting a reduction in vehicle usage by more than 70%.

When our people decide to work in the office they can, in many of our offices, rely on low carbon public transport due to the proximity of our offices to major public transport hubs.

Learn from Anywhere

Keypath’s primary way to reduce carbon emissions is through the empowerment of universities to operate online learning where students can choose their locale for studies, literally learning from anywhere. Remote-based learning reduces the amount of travel required on an ongoing basis by reducing the daily commutes required to attend ground-based learning.

While the scientific analysis of reduced carbon emissions through online studies is ongoing, there have been numerous papers, blog commentaries and assessments across many regions of the world that show distance learning is an environmentally sustainable approach with sustainability benefits over on-campus learning.

As often referenced in the available literature, Roy, Potter and Yarrow posit in “Towards Sustainable Higher Education”[1] that distance learning courses studied involved 87% less energy consumption and produced 85% fewer CO_2 emissions per student. Universities operating an on-campus delivery model are, by their very nature, high contributors to global CO_2 emissions, with daily commuters to and from campus. On-campus delivery also results in high consumption of energy, with a typical building of 50,000 sq ft consuming more than US$100,000 worth of energy each year[2]. It is Keypath’s belief that the transformation of higher education to provide students with the option of quality, accessible distance learning, will have a meaningful impact on the climate over time.

Resource efficiency and waste management

Our shift to Work from Anywhere and adoption of the appropriate technology to facilitate this program has led to an increase in resource efficiency.

For example, our offices have reduced paper use significantly as a result of the Work from Anywhere program as most of our staff are no longer using printers in the office as part of their day-to-day work. We have also seen a reduction in the consumption of single use plastics and amenities customarily provided in an office setting for the convenience of preparing and eating meals.

In a recent survey, Keypathers responded that they have individually reduced their use of paper and the consumption of single use plastics now that they have the flexibility to Work from Anywhere:

- 76% of respondents are using less paper while working at home, compared to when they worked in an office; of those, 67% have reduced their paper usage by more than 70%.
- 84% of respondents are using fewer single use plastics and other disposable items while working from home.

Online learning is known to reduce paper consumption where students and faculty are not in a classroom setting using texts and printed handouts. It is estimated by the National Wildlife Foundation that up to 60% of a university’s waste is paper[3]. Distance learning utilizes engaging, creative and interactive digital platforms that do not rely upon or require traditional textbooks or printed paper.

While Keypath’s waste footprint is low due to the nature of our business and our Work from Anywhere program, efforts to manage waste are undertaken where appropriate and impactful in our office settings and through education. As it relates to electronic equipment, Keypath’s US operations utilize an IT asset disposition company that picks up our disposals and recycles the raw components and materials. Useable equipment is remarketed rather than disposed.

1. https://www.researchgate.net/publication/42792604_Towards_sustainable_higher_education_environmental_impacts_of_conventional_campus_print-based_and_electronicopen_learning_systems
2. https://esource.bizenergyadvisor.com/article/colleges-and-universities
3. https://www.engineeringtrainer.com/blog/blog-1/post/the-environmental-benefits-of-online-learning-27

ESG report

Social Opportunity, Access and Equality Keystone

Social Opportunity

Keypath is committed to changing education with technology and positively impacting communities that benefit from educated, upskilled and reskilled workforces. Collectively, these positive impacts extend beyond a newly skilled worker and a community benefit to having a real effect on today's social and economic challenges at a greater scale.

Keypath's partnerships with higher education institutions across the globe offer over 178 online programs. These programs are purposefully designed to increase opportunity by unlocking capacity in complex, high demand fields. Informed by our proprietary KeypathEDGE platform, we identify patterns and predict trends in markets, consumer behavior and the student experience by analyzing millions of global data points. These insights enable us to develop, design and deliver the most socially significant online education opportunities in fields that lead to clear career outcomes.

Keypath is particularly focused on Healthcare programs where there is a demonstrated societal need and strong projected job growth. Informed by the KeypathEDGE analytics, Keypath partners with universities to launch programs that are in demand and that will reach underserved communities.

There are currently over 300 students in Keypath-supported distance Accelerated Bachelor of Science in Nursing ("ABSN") programs and there have been 85 graduates since we helped launch our first distance ABSN in 2020. Many students receive job offers from the health systems where they completed clinical rotations while in the ABSN program. This has injected new nurses into communities where there is not traditionally an influx of nurses due to the lack of local education. Distance programs allow the students to make meaningful impact in their communities and to overall access to care.

Programs like the distance ABSN are successful due in part to Keypath's ability to create capacity with its established network of more than 15,000 clinical placement sites and 3,600 active preceptors. Across all of the Keypath-partnered programs that include a clinical component, Keypath has successfully placed 10,198 student placements in localized field placements. In the past year, Keypath's placements increased by 261%.

AREAS WITHIN HEALTHCARE VERTICAL

In Portfolio

» Nursing
» Social Work
» Speech Language Pathology
» Mental Health
» Counseling
» Psychology
» Pharmacy

In Pipeline

» Occupational Therapy
» Physical Therapy
» Nurse Anaesthetist
» Physician Assistant

Keypath continues to develop and design programs that are in demand and socially significant, that fill gaps in capacity, and that are offered through a distance model to reach more students and more communities. In FY22, Keypath partnered with universities in the US, Canada and Australia to offer 12 new Healthcare-focused degree and graduate certificate programs in the fields of Nursing, Counseling and Health Administration.

ESG report

Access

Collaborating with our university partners, Keypath creates quality courses designed with accessibility in mind to create an inclusive learning environment for all students. Our module development process incorporates the principles of universal design for learning, with careful consideration being given to digital accessibility:

» We build learning interactives with consideration for accessibilty and we create alternatives that offer support for all learners to engage with the content.
» We create lesson content from the student perspective, making content easier to navigate with assistive technology.
» We conduct accessibility reviews of all modules to ensure an equitable experience.
» We intentionally select tools that are accessible
» We customize navigation elements within the virtual learning environment to improve the user experience.

Keypath adheres to the Web Content Accessibility Guidelines ("WCAG") version 2.1 AA; later this year version 2.2 will be released, and we are already adhering to those anticipated changes. We also adhere to Section 508 of the *Rehabilitation Act of 1973* as well as Title III of the *Americans with Disabilities Act of 1990* in the US. Our global market is guided by WCAG accessibility as recommended by the United Nations.

Equality

Our people are our number one priority, and our ability to deliver on our purpose and business objectives is enabled through the culture we continue to build and a commitment to our values.

In FY22, 140 Keypathers joined our vision to "Transform Education, Transform the World." Through yet another year of withstanding the impact of COVID-19, Keypath continued to lift the bar and supported our people to thrive.

We are proud of our culture, and we know it is one of our greatest strengths at Keypath. When asked in our 2022 Gallup Employee Engagement Survey, the top three reasons Keypathers choose to stay with the organization are global collaboration, flexibility and our commitment to building and maintaining a diverse and inclusive working environment. Our Glassdoor rating is currently 4.2/5 with employees rating us the highest for our culture and values.

Culture of equality and engagement groups

At Keypath, our global engagement volunteers are dedicated to continuously building and enhancing our Keypath working environment to be a place of community, learning and celebration of our people. Our engagement groups are made up of approximately 130 global volunteers and are divided into sub-groups that allow Keypathers to volunteer their time in areas that are meaningful to them.

Team Green:
A team dedicated to creating and fulfilling sustainable goals for Keypath that reduce our carbon footprint

Charity and Philanthropic Group:
A team dedicated to helping Keypath give back to our regional communities in meaningful ways that align with our core values and mission

Social Team:
A team of Keypathers who build engagement activities within our hybrid workforce to help us build relationships and celebrate our collective accomplishments

Team DISC:
A team of Keypathers who are passionate about our diversity, equity and inclusion mission

Diversity, equity and inclusion

An undeniable contributing factor to Keypath's success is our commitment to Diversity, Equity and Inclusion ("DEI"). This commitment is reflected in the talent Keypath employs, communities in which it operates and the students it serves. The Board is committed to increasing the diversity of employees and aims to achieve a continued increase in diversity through the Company's recruitment and onboarding practices in addition to training and development opportunities.

Keypath's Global DEI framework is built upon three pillars: **People**, **Identity** and **Actions**. This DEI framework is foundational for the Company's policies, procedures, communications and culture.

In accordance with our Diversity and Inclusion Policy, all recruiting initiatives aim for a diverse pool of qualified candidates using various advertising strategies. Importantly, the recruitment and selection processes are designed to guard against conscious and unconscious biases that might influence unfair treatment.

Our focus on merit and fairness is embedded in the Keypath culture where decisions surrounding development, promotion, remuneration and flexible work arrangements are made in accordance with Keypath's DEI principles.

All Keypathers have a responsibility to recognize, foster and promote Keypath's diversity and inclusion culture at every opportunity. The policy is clear that workplace discrimination, harassment, vilification and victimization are not tolerated.

Our Global DEI framework is brought to life through Keypath's Global Diversity and Inclusion Standing Committee ("DISC"). DISC is made up of Keypathers across all geographies who identify and champion global objectives and make recommendations on diversity and inclusion matters and policies to Keypath's Executive Leadership Team. DISC promotes appropriate events for advocacy, celebration and education on key issues relevant to the representative groups.

Gender equality

Keypath unequivocally upholds gender equality principles. Keypath offers forums for all genders with the goals of equality, transparency and education. Recently, Keypath promoted and hosted a Global Women in Leadership series that celebrated International Women's Day. This well-attended event featured storytelling and speaker panels where women from diverse backgrounds and in various positions of leadership across the organization shared insights, resources and inspiration for all Keypathers. Many of our university partners join us in their commitment to end gendered violence and inequality and we continue to share and spotlight our partner efforts with Keypathers regularly.

We are proud of our gender representation at Keypath. As our female representation statistics show, we have over 40% of women on our Board, led by a female chair and a female chair of the PRS Committee, and strong representation at Senior Leadership levels and below. Whilst our representation at ELT is not yet at parity, Keypath is committed to continuing to develop our bench strength with a strong female leadership pipeline. Given the consistency and tenure of our ELT members, this statistic has remained unchanged from FY21 to FY22, and we recognize this as an area for long-term opportunity.

Female Representation %	June 30 2022	June 30 2021
Board of Directors	43%	43%
Executive Leadership Team (direct reports to the CEO)	14%	14%
Senior Leadership Team[1]	59%	57%
Workforce – all employees	66%	64%

1. This is defined based on job title, level and seniority attributed to role, as per information captured by Keypath's HR Information System.

OTHER INITIATIVES TO STRENGTHEN DEI EDUCATION AND AWARENESS THROUGHOUT THE YEAR INCLUDED:

LinkedIn Learning

In partnership with LinkedIn Learning, our commitment to strengthening DEI education within the business continued. Keypathers participated in both on-demand and live learning sessions to encourage new learning and understand key concepts, most notably around unconscious bias, tailored history and tools for managers to lead and engage their diverse workforce. We also used our event calendar to share relevant and thought-provoking resources throughout the year that encouraged discussion within our internal collaboration systems.

First Nations people and communities

Keypath is proud of its commitment to the Indigenous communities in which it operates, continuously encouraging Keypathers to learn about their local land history, embrace and record land acknowledgements and be a brave ally.
In Australia, Keypath appropriately disseminates an Acknowledgement of Country and land, offers global educational sessions and resources about Aboriginal and Torres Strait Islander history and culture, and together, with our Canadian operations, participates with its university partners in an education series for students and employees.

LGBTIQA+

Efforts to learn about and give a voice to our Keypathers who belong to, or are an ally of, our LGBTIQA+ communities continued. Notable events included Midsumma Festival, Global Pride month celebrations, IDAHOBIT Day, Wear it Purple Day and Trans Awareness Week. Several Keypathers were engaged as spotlight speakers to share their stories of personal connection to the LGBTIQA+ community with the entire company.

Multiculturalism

Keypath is proud to celebrate the diverse cultures of all employees and embraces this diversity through education and awareness by providing resources such as the interactive "My Path" blog series where Keypathers from diverse backgrounds can share their stories and celebrate multicultural holidays and events with others.

Disability and mental health

Keypath acknowledges and supports people living with disabilities and emphasizes mental health awareness and support. Annual events remind all Keypathers to reach out and take care of each other such as the Canadian "Bell Let's Talk" week, Australia's RUOK Day, International Day of People Living with a Disability and global Mental Health Awareness Week. We also have added paid mental health days to be used by Keypathers to take a break and focus on their wellbeing.

ESG report

Strong Corporate Governance and Data Security Keystone

Data and security

Students of all stages (prospects, enrollees, alumni), our partners and our employees provide personal information to Keypath and expect their information to be used appropriately and in a secure manner. Personal information is submitted by individuals through electronic platforms displaying forms and privacy policies that clearly explain their rights and protections. Keypath maintains a rigorous program to protect personal data and invests heavily in solutions, controls and internal processes.

Keypath's overall information and cybersecurity structure for the organization is headed by the Chief Technology Officer ("CTO") who manages a team of IT professionals charged with planning, developing, supporting and maintaining IT processes and initiatives that support the organization's business goals. The CTO is a member of the Executive Leadership Team and reports directly to the Global Chief Executive Officer.

Reporting to the CTO is the Director of IT Infrastructure and Security who manages the Lead Cybersecurity Engineer and various Systems Administrators charged with securing enterprise systems and resources and implementing technology and security initiatives within the organization.

The Confidentiality and Security Team ("CST") is comprised of the CTO, General Counsel, CFO, Legal Counsel (located in North America and APAC), Executive Director of Business – APAC, and the Director of IT Infrastructure and Security, and is responsible for working with users, management and support organizations across the Company to assess risk and implement and oversee prudent security policies, procedures, and controls.

Board and audit and risk management committee oversight

The role of our Board in respect of risk management includes: (a) identifying the principal risks of the Company's business; (b) establishing the acceptable levels of risk within which the Board expects the management of the Company to operate, and analyzing whether the Company is operating with due regard to the risk appetite set by the Board; and (c) reviewing and ratifying the Company's systems of internal compliance and control, risk management frameworks and legal compliance systems, to determine the integrity and effectiveness of those systems.

The Audit and Risk Management Committee ("ARMC") assists the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Company's internal control structure and risk management systems (financial and non-financial). The Executive Leadership Team briefs the ARMC and the Board on privacy and security related risks, as appropriate.

Further information in relation to the central role of the Board and the ARMC in Keypath's corporate governance and risk management framework is outlined in our Corporate Governance Statement on pages 59 to 67 of this report.

Cybersecurity measures

- Keypath developed and maintains information security policies and supporting procedures to protect Keypath and its partner's information assets.
- Keypath undertakes an annual security awareness training program and deploys periodic phishing simulations for all Keypathers.
- Keypath currently holds SOC2 Type 1 Certification.
- Keypath's cybersecurity team deploys and maintains technical measures to protect Keypath and its partner's information assets including data encryption, Multi-Factor Authentication ("MFA"), network and endpoint security, protection of privileged accounts, and regular third-party vulnerability scans and penetration tests.

Operating with responsible and ethical business practices

Keypath conducts business in an honest and ethical way and in accordance the Keypath Code of Conduct. The Board and management of Keypath are committed to the highest standards of corporate governance to ensure the future sustainability of the organization and to create long-term value for its shareholders. We do this by promoting a culture built around our values of diversity, inclusion and care for our community and the environment.

Corporate governance statement

Each year Keypath prepares a Corporate Governance Statement which is released to ASX as part of our Annual Report. The Corporate Governance Statement can be found on pages 58 to 67 and includes details about our Code of Conduct, Whistleblower Policy, our Securities Trading Policy and Anti-bribery and Corruption commitments.

Protecting human rights/modern slavery

Keypath is opposed to slavery in all forms and issued its first Modern Slavery Statement in 2021. Modern slavery is an issue of global significance and Keypath recognizes that every organization has a role to play in mitigating its impact.

Keypath used a risk assessment methodology to consider a number of indicators of modern slavery including sector and industry, type of products and services, geographical location and specific entity risk. Keypath focused on mapping its supply chain for the suppliers comprising around 90% of supply chain spend in each of the United States, Canada, the United Kingdom and Asia-Pacific. The initial risk assessment indicated that our operations and supply chain have a low potential for modern slavery risks.

While our due diligence indicates that Keypath's exposure to modern slavery risk is limited, we are committed to building upon our operations with initiatives targeted to ensure that Keypath plays a part in protecting the human rights of those potentially affected by our business activities.

Student testimonial

"I searched Australia-wide for master's level courses and discovered the Edith Cowan University was offering a new, progressive, and entirely online program that looked attractive ... When I needed some special support during a personally challenging time, I turned to the course coordinator, who struck me as one of the kindest and most encouraging academics I had ever encountered."

"I searched Australia-wide for master's level courses and discovered the Edith Cowan University was offering a new, progressive, and entirely online program that looked attractive. Although initially I found working remotely somewhat alienating, it didn't take more than a few weeks to adapt.

I like the way the course is structured into a series of discrete units, each taking eight weeks to complete. The course facilitators are friendly, encouraging, and are themselves practitioners with extensive professional experience. When I needed some special support during a personally challenging time, I turned to the course coordinator, who struck me as one of the kindest and most encouraging academics I had ever encountered. It is because of her that I am nearing completion of this course ... it has been an excellent match for me, and I am so pleased I enrolled in the degree. I sometimes wonder if I'll go on to do a Ph.D. next."

Michael Kay

Edith Cowan University
Master of Counseling

Operating and financial review

Operating and Financial Review

For the Years Ended June 30, 2022 and 2021

» Continued momentum in trading performance with the year ended June 30, 2022 (“FY22”) revenue of US$118.4 million, 20.7% higher than the year ended June 30, 2021 (“FY21”) (25.0% higher on a constant currency basis and after adjusting for the one-time fee in FY21) and exceeding prospectus forecasts by US$2.0 million.

» Significant partner and program additions: seven new partners and 45 new programs added in FY22. This brings our active partner and program count to 39 and 178, respectively as of June 30, 2022. Expanded into Singapore with our second partner in Southeast Asia.

» FY22 contribution margin of US$22.0 million exceeded prospectus forecasts by US$3.9 million and down 14.3% from FY21, impacted by the FY21–FY23 vintages being the largest vintages in the history of the Company, in terms of size and investment, and these vintages, collectively, being in the net cash outflow stage of their lifecycle.

» This strong contribution margin coupled with strong vintage performance resulted in Adjusted EBITDA of US($10.5) million and exceeded prospectus forecasts by US$1.1 million (US$2.2 million after adjusting for foreign currency exchange losses in FY22). We achieved this despite the incremental US$7 million investments associated with the large, new vintages noted above, the incremental listed company costs (people and external costs), system investments and start-up costs for our Southeast Asia operation.

» The contribution of each region to total revenue was relatively unchanged in FY22 compared to FY21. North America contributed 49.1% of total revenue (compared to 46.4% in FY21; driven in part by our continued progress in Healthcare), while APAC contributed 48.1% of total revenue compared to 50.7% in FY21. Both regions grew their total revenue in FY22 as a result of course enrollment growth, strong student retention and the launch of new programs in key disciplines.

» The five largest partners by revenue contributed 44.9%, or US$53.2 million, to total revenue in FY22 (compared to 46.5%, or US$45.6 million, in FY21), as all other partners grew their share to 55.1%, or US$65.2 million (compared to 53.5%, or US$52.5 million, in FY21), reflecting a growing partner base. This reduction in partner concentration continued the positive trend of diversifying across verticals and programs.

» Course enrollments grew 18.3% to 101,753 in FY22 primarily driven by strong retention and the launch of new programs. Revenue per enrollment increased 2.1% to US$1,164 per student in FY22, as the Nursing, Healthcare and Social Services verticals continued to grow as a percentage of revenue (47.2% of total revenue in FY22 compared to 37.6% in FY21). We expect these verticals to continue to represent a larger percentage of our overall revenue moving forward.

» Strong cash position with US$59.2 million of cash on hand (no debt) as of June 30, 2022 compared to US$67.5 million as of June 30, 2021, indicating cash burn of US$8.3 million in FY22. Cash burn is US$20.5 million favorable to prospectus burn of US$28.8 million. Organic growth fully funded through to cash flow breakeven.

Keypath Financial Metrics

Years ending June 30,		2022	2021	2020	2019
Revenue	US$m	118.4	98.1	55.5	37.2
Contribution margin	US$m	22.0	25.7	6.7	(1.3)
EBITDA	US$m	(20.7)	(43.4)	(7.4)	(14.9)
Adjusted EBITDA	US$m	(10.5)	6.7	(7.4)	(14.9)
Contribution margin %	%	18.6	26.2	12.1	(3.4)
EBITDA % of revenue	%	(17.5)	(44.2)	(13.4)	(40.1)
Adjusted EBITDA % of revenue	%	(8.9)	6.8	(13.4)	(40.1)

Revenue by geography		2022	2021	2020	2019
North America	%	49.1	46.4	51.5	51.6
APAC	%	48.1	50.7	44.9	45.7
Rest of World	%	2.8	2.9	3.6	2.7

Revenue by partner concentration		2022	2021	2020	2019
Five largest partners	%	44.9	46.5	51.4	64.0
All other partners	%	55.1	53.5	48.6	36.0

Operating and Financial Review

For the Years Ended June 30, 2022 and 2021

Comparison of actual results for the year ended June 30, 2022 with prospectus forecasts

The Company outperformed its prospectus forecast.

For the Year Ended June 30, 2022	Actual US$'000	% of Revenue	Prospectus US$'000	% of Revenue	Change US$'000	Change %
Income statement						
Revenue	**118,399**	**100.0%**	**116,367**	**100.0%**	**2,032**	**1.7%**
Direct salaries and wages net of capitalized costs	(46,558)	(39.3%)	(46,024)	(39.6%)	(534)	1.2%
Direct marketing expenses	(47,056)	(39.7%)	(45,582)	(39.2%)	(1,474)	3.2%
General and administrative expenses allocated to direct departments	(2,780)	(2.3%)	(6,687)	(5.7%)	3,907	(58.4%)
Contribution margin	**22,005**	**18.6%**	**18,074**	**15.5%**	**3,931**	**21.7%**
Corporate costs	(31,336)	(26.5%)	(29,641)	(25.5%)	(1,695)	5.7%
Stock-based compensation expense (one-time)	(7,240)	(6.1%)	(7,111)	(6.1%)	(129)	1.8%
Stock-based compensation expense (ongoing)	(2,136)	(1.8%)	(3,478)	(3.0%)	1,342	(38.6%)
Legacy long-term incentive plan ("LTIP") Cash Awards	(813)	(0.7%)	(813)	(0.7%)	–	–
Other income and (expense), net	(1,182)	(1.0%)	–	–	(1,182)	–
EBITDA	(20,702)	(17.5%)	(22,969)	(19.7%)	2,267	(9.9%)
Depreciation and amortization	(4,905)	(4.1%)	(5,642)	(4.8%)	737	(13.1%)
EBIT	**(25,607)**	**(21.6%)**	**(28,611)**	**(24.6%)**	**3,004**	**(10.5%)**
Interest expense	–	–	–	–	–	–
Loss before income taxes	**(25,607)**	**(21.6%)**	**(28,611)**	**(24.6%)**	**3,004**	**(10.5%)**
Income taxes expense	(1,088)	(0.9%)	(3,599)	(3.1%)	2,511	(69.8%)
Net loss	**(26,695)**	**(22.5%)**	**(32,210)**	**(27.7%)**	**5,515**	**(17.1%)**

For the Year Ended June 30, 2022	Actual US$'000	% of Revenue	Prospectus US$'000	% of Revenue	Change US$'000	Change %
EBITDA	**(20,702)**	**(17.5%)**	**(22,969)**	**(19.7%)**	**2,267**	**(9.9%)**
Stock-based compensation expense (one-time)	7,240	6.1%	7,111	6.1%	129	1.8%
Stock-based compensation expense (ongoing)	2,136	1.8%	3,478	3.0%	(1,342)	(38.6%)
Legacy LTIP Cash Awards	813	0.7%	813	0.7%	–	–
Adjusted EBITDA	**(10,513)**	**(8.9%)**	**(11,567)**	**(9.9%)**	**1,054**	**(9.1%)**

For the Year Ended June 30, 2022	Actual US$'000	Prospectus US$'000	Change US$'000	Change %
Cash flows				
Cash flow from operating activities	(1,705)	(24,222)	22,517	(93.0%)
Cash flow from investing activities	(4,870)	(4,559)	(311)	6.8%
Cash flow from financing activities	–	–	–	–
Effect of exchange rate changes	(1,697)	–	(1,697)	–
Net cash flows	**(8,272)**	**(28,781)**	**20,509**	**(71.3%)**

Year ended June 30, 2022 compared to the year ended June 30, 2021

	2022 US$'000	% of Revenue	2021 US$'000	% of Revenue	Change US$'000	Change %
Income statement						
Revenue	**118,399**	**100.0%**	**98,092**	**100.0%**	**20,307**	**20.7%**
Operating costs	(127,730)	(107.9%)	(91,584)	(93.4%)	(36,146)	39.5%
Stock-based compensation expense (one-time)	(7,240)	(6.1%)	(41,745)	(42.6%)	34,505	(82.7%)
Stock-based compensation expense (ongoing)	(2,136)	(1.8%)	(196)	(0.2%)	(1,940)	989.8%
Legacy LTIP Cash Awards	(813)	(0.7%)	(3,187)	(3.2%)	2,374	(74.5%)
IPO transaction costs expensed	–	–	(4,915)	(5.0%)	4,915	(100.0%)
Other income and (expense), net	(1,182)	(1.0%)	154	0.2%	(1,336)	(867.5%)
EBITDA	**(20,702)**	**(17.5%)**	**(43,381)**	**(44.2%)**	**22,679**	**(52.3%)**
Depreciation and amortization	(4,905)	(4.1%)	(4,152)	(4.2%)	(753)	18.1%
EBIT	**(25,607)**	**(21.6%)**	**(47,533)**	**(48.5%)**	**21,926**	**(46.1%)**
Interest expense	–	–	(2,346)	(2.4%)	2,346	(100.0%)
Loss on redemption of non-controlling interest	–	–	(27,667)	(28.2%)	27,667	(100.0%)
Loss before income taxes	**(25,607)**	**(21.6%)**	**(77,546)**	**(79.1%)**	**51,939**	**(67.0%)**
Income taxes expense	(1,088)	(0.9%)	391	0.4%	(1,479)	(378.3%)
Net loss	**(26,695)**	**(22.5%)**	**(77,155)**	**(78.7%)**	**50,460**	**(65.4%)**
Non-controlling interest redemption increment	–	–	(1,579)	(1.6%)	1,579	(100.0%)
Net loss attributable to Keypath Education International, Inc. Shareholders	**(26,695)**	**(22.5%)**	**(78,734)**	**(80.3%)**	**52,039**	**(66.1%)**

	2022 US$'000	2021 US$'000	Change US$'000	Change %
Cash flows				
Cash flow from operating activities	(1,705)	(11,224)	9,519	(84.8%)
Cash flow from investing activities	(4,870)	(4,143)	(727)	17.5%
Cash flow from financing activities	–	67,502	(67,502)	(100.0%)
Effect of exchange rate changes	(1,697)	617	(2,314)	(375.0%)
Net cash flows	**(8,272)**	**52,752**	**(61,024)**	**(115.7%)**

Operating and Financial Review

For the Years Ended June 30, 2022 and 2021

Revenue

	2022 US$'000	2021 US$'000	Change US$'000	Change %	Organic Growth[1]	2021 One-time Revenue[2]	Foreign Exchange[3]
Revenue by region							
North America	58,096	45,531	12,565	27.6%	33.1%	(5.6%)	0.1%
APAC	57,040	49,719	7,321	14.7%	18.0%	–	(3.3%)
Rest of World	3,263	2,842	421	14.8%	16.3%	–	(1.5%)
Total revenue	**118,399**	**98,092**	**20,307**	**20.7%**	**25.0%**	**(2.6%)**	**(1.6%)**

Our North America region includes the United States and Canada. Our Asia-Pacific ("APAC") region includes Australia, Malaysia and Singapore. The Malaysian business commenced operations during FY21 but did not earn any revenue in FY21 and earned immaterial revenue in FY22. We launched our first partner in Singapore in FY22 and we expect to begin generating revenue in FY23. The Rest of World includes the United Kingdom.

The Company's revenues are primarily earned in the North America and APAC markets where 97% of revenue was generated in both FY22 and FY21. Programs signed in FY22 spanned Keypath's US, Australia and Singapore markets.

The Company earned revenue of US$118.4 million in FY22 compared to US$98.1 million in FY21, an increase of 20.7%. On a constant currency basis and excluding the impact of FY21 one-time revenue, FY22 revenue increased by 25.0% compared to FY21. Keypath's strong revenue performance is underpinned by course enrollment growth, strong student retention and the launch of new programs in key disciplines. Course enrollments grew 18.3% to 101,753[4] in FY22, aided by continued strong student retention and the signing of 45 new programs during the Reporting Period. The new programs added in FY22 brings the total number of active programs to 178 as of June 30, 2022.

The Company defines a program as a bachelor's, master's or doctoral degree program, a post master's degree certificate (in the US) 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. 178 programs in FY22 includes 46 non-revenue generating programs, of which 40 were signed during FY22.

Partners, active programs and student enrollments have continued to grow

	2022	2021	Change	Change %
Partners	39	32	7	21.9%
Active programs	178	133	45	33.8%
Course enrollments	101,753	86,042	15,711	18.3%
Revenue per enrollment (US$)	1,164	1,140	24	2.1%

The Company closely monitors revenue by vintage (the fiscal year in which a program has its first student intake, for example, if a program commences on July 1, 2021, it will be classified as an FY22 vintage) as this provides an insight into the ramp-up of programs as they progress through the unit economic model. Keypath does not earn revenue from a program until the first student intake into that program.

	2022 US$'000	% of Revenue	2021 US$'000	% of Revenue	Change US$'000	Change %
Revenue by vintage						
Mature[5]	41,976	35.5%	50,576	51.6%	(8,600)	(17.0%)
2019	24,034	20.3%	21,555	22.0%	2,479	11.5%
2020	19,029	16.1%	15,363	15.7%	3,666	23.9%
2021	28,570	24.1%	10,598	10.8%	17,972	169.6%
2022	4,790	4.0%	–	–	4,790	–
Total revenue	**118,399**	**100.0%**	**98,092**	**100.0%**	**20,307**	**20.7%**

Vintages prior to 2019 (mature) declined year-over-year primarily as a result of this group containing some programs from the inception of the Company that are not in currently targeted verticals. 2019 and subsequent vintages continue to scale toward maturity and reflect the full benefit of the KeypathEDGE platform.

1. Organic growth represents the change in revenue excluding the impact of FY21 one-time revenue and foreign exchange impacts.
2. One-time fee of US$2.6 million recognized in Q4 FY21 for transition services.
3. The comparisons at constant currency rates (foreign exchange) reflect comparative local currency foreign exchange rates at the prior period's average 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.
4. Includes estimates for enrollments pending invoicing. Note that course enrollments are counted in the period in which the applicable term began.
5. For FY21, mature vintage includes one-time fee of US$2.6 million for transition services.

Operating costs

The Company's key operating costs are:

- **Salaries and wages** – The Company's cost base is primarily employee costs relating to the salaries and wages of its direct cost departments including recruitment (comprising student recruitment advisors and recruitment management departments), marketing services, product development (employees who work on program and learning design), student retention, account management and student placement. In addition to these direct costs, the Company also has corporate functions such as IT, finance, legal, HR, business development and executive management functions. Employee levels in most direct areas are determined so as to ensure that existing and planned contractual service standards can be met and tend to be program specific. Salaries and wages in other areas are less program specific and less affected by significant increases in revenue, enabling Keypath management to achieve greater scalability from existing employee resources as the business continues to grow.
- **Direct marketing costs** – The Company relies on pay-per-click advertising via Google, Facebook and LinkedIn as its main marketing channel in promoting online programs. Other lead generating channels also include search engine optimization ("SEO"), pay per impression and email marketing. Direct marketing costs include creative costs, representing outsourced expenses notably related to creative design work, public relations and video.
- **General and administration ("G&A") expenses** – G&A includes the aggregate costs of managing and administrating the affairs of the Company. Other G&A expenses primarily include information technology and communications, lease and property outgoings, professional fees and outsourced services, insurance, and travel.

	2022 US$'000	% of Revenue	2021 US$'000	% of Revenue[1]	Change US$'000	Change %
Salaries and wages	63,342	53.5%	47,794	48.7%	15,548	32.5%
Direct marketing	47,056	39.7%	33,245	33.9%	13,811	41.5%
G&A expenses	17,332	14.6%	10,545	10.8%	6,787	64.4%
Total operating costs	**127,730**	**107.9%**	**91,584**	**93.4%**	**36,146**	**39.5%**

Salaries and wages, excluding stock-based compensation expense and Legacy LTIP Cash Awards, increased by US$15.5 million, or 32.5%, to US$63.3 million in FY22. This increase reflects the addition of employees to support the growth in partners, programs and students as well as increased corporate staff to support this growth and listed public company requirements. Note that FY21 reflects only one month of being a listed company. We have added 140 Keypathers to our high-performing team in FY22. Salaries and wages are also net of wages capitalized in intangible assets for software and course development (US$3.3 million for FY22 and US$2.7 million for FY21) and commissions capitalized in contract acquisition costs (US$1.4 million for FY22 and US$0.8 million for FY21).

Direct marketing increased by US$13.8 million, or 41.5%, to US$47.1 million in FY22. Direct marketing as a percentage of revenue increased by 585 basis points in FY22. This is primarily attributed to the FY21–24 historically large vintages collectively being in their investment phase.

G&A expenses increased by US$6.8 million, or 64.4%, to US$17.3 million in FY22. G&A costs increased as a result of the overall growth of the business, the expansion into Malaysia and Singapore and the infrastructure required to support a public company. G&A expenses are net of capitalized contractor costs (US$1.1 million for FY22 and US$0.5 million for FY21).

1. When excluding one-time fee of US$2.6 million for transition services from US$98.1 million FY21 revenue: Salaries and wages was 50.0%, Direct marketing expenses % was 34.8%, G&A expenses % was 11.0% and Total operating costs % was 95.9%.

Operating and Financial Review

For the Years Ended June 30, 2022 and 2021

Contribution Margin, EBITDA and Adjusted EBITDA

Keypath uses the following non-US GAAP measures to assess its business performance: contribution margin, EBITDA and Adjusted EBITDA.

» **Contribution margin** is revenue less direct costs, which consists of salaries and wages, direct marketing and G&A expenses attributable to direct departments. Contribution margin is used to monitor and evaluate financial performance for individual programs relative to planned performance targets over the whole-of-life of the programs
» **EBITDA** includes contribution margin less indirect costs to consider the performance of business operations as a whole, where corporate costs are operated on a global basis to support day-to-day operations
» **Adjusted EBITDA** includes EBITDA less certain non-recurring items and stock-based compensation expense.

	2022 US$'000	% of Revenue	2021 US$'000	% of Revenue[1]	Change US$'000	Change %
Revenue	**118,399**	**100.0%**	**98,092**	**100.0%**	**20,307**	**20.7%**
Direct salaries and wages	(46,558)	(39.3%)	(37,156)	(37.9%)	(9,402)	25.3%
Direct marketing	(47,056)	(39.7%)	(33,245)	(33.9%)	(13,811)	41.5%
G&A allocated to direct departments	(2,780)	(2.3%)	(2,022)	(2.1%)	(758)	37.5%
Contribution margin	**22,005**	**18.6%**	**25,669**	**26.2%**	**(3,664)**	**(14.3%)**
Corporate costs	(31,336)	(26.5%)	(19,161)	(19.5%)	(12,175)	63.5%
Stock-based compensation expense (one-time)	(7,240)	(6.1%)	(41,745)	(42.6%)	34,505	(82.7%)
Stock-based compensation expense (ongoing)	(2,136)	(1.8%)	(196)	(0.2%)	(1,940)	989.8%
Legacy LTIP Cash Awards	(813)	(0.7%)	(3,187)	(3.2%)	2,374	(74.5%)
IPO transaction costs expensed	–	–	(4,915)	(5.0%)	4,915	(100.0%)
Other income and (expense), net	(1,182)	(1.0%)	154	0.2%	(1,336)	(867.5%)
EBITDA	**(20,702)**	**(17.5%)**	**(43,381)**	**(44.2%)**	**22,679**	**(52.3%)**
Stock-based compensation expense (one-time)	7,240	6.1%	41,745	42.6%	(34,505)	(82.7%)
Stock-based compensation expense (ongoing)	2,136	1.8%	196	0.2%	1,940	989.8%
Legacy LTIP Cash Awards	813	0.7%	3,187	3.2%	(2,374)	(74.5%)
IPO transaction costs expensed	–	–	4,915	5.0%	(4,915)	(100.0%)
Adjusted EBITDA	**(10,513)**	**(8.9%)**	**6,662**	**6.8%**	**(17,175)**	**(257.8%)**

Adjusted EBITDA is impacted by the number of programs in the launch and development stages, public company costs, Malaysian and Singapore expansions and investments in systems to support the growth of the Company as well as its public company reporting.

Depreciation and amortization

	2022 US$'000	% of Revenue	2021 US$'000	% of Revenue
Depreciation	962	0.8%	771	0.8%
Amortization of intangible assets	3,291	2.8%	2,955	3.0%
Amortization of acquisition costs	526	0.4%	426	0.4%
Amortization of capitalized implementation cost from hosting arrangement that is service contract	126	0.1%	–	–
Total depreciation and amortization	**4,905**	**4.1%**	**4,152**	**4.2%**

Depreciation and amortization is primarily incurred on intangible assets comprising program development, software and website platforms and contract acquisition costs. Program development expenditure primarily includes capitalized salaries and wages of staff and contractor costs directly involved in program development. Contract acquisition costs include capitalized commissions paid to staff who earn such commissions as part of their remuneration for selling new partners and programs. The amounts capitalized are determined in accordance with US GAAP. Depreciation and amortization has increased in FY22 from FY21 due to the increased development expenditures and commissions paid reflective of the increase in new partners and programs (see also comments on cash flows below).

1. When excluding one-time fee of US$2.6 million for transition services from US$98.1million FY21 revenue: Contribution margin % was 24.2%, EBITDA % was (48.1%) and Adjusted EBITDA % was 4.3%.

Stock-based compensation expense and Legacy LTIP Cash Awards

In conjunction with the IPO, the existing restricted unit and options plan and the existing performance awards plan were terminated and replaced by conditional obligations on the Company to provide CHESS Depositary Interests ("CDIs") in relation to the restricted units, CDI Rights in relation to the employee options and the conditional rights to receive a cash payment ("Legacy LTIP Cash Awards") in relation to the performance awards.

	2022 US$'000	2021 US$'000
CDIs in relation to restricted units for Steve Fireng, the existing CEO (legacy/one-time)	2,019	23,926
CDI Rights in relation to the employee options (legacy/one-time)	5,221	17,819
Grants to the employees under the 2021 Equity Incentive Plan (ongoing)	2,136	196
Stock-based compensation expense	**9,376**	**41,941**
Legacy LTIP Cash Awards (legacy/one-time)	**813**	**3,187**

IPO transaction costs expensed

There were no IPO related costs for FY22. For FY21, IPO transaction costs expensed include a US$3.2 million fee payable to Sterling Fund Management, LLC for services provided by it to the Company and its affiliates, US$1.0 million of advisor fees incurred in preparing the Company to operate as a listed public company (such as auditor and tax advisory fees related to the audited financial statements and reviewed financial statements, corporate governance advice, remuneration benchmarking and advisory fees related to the 2021 Equity Incentive Plan) and US$0.7 million of internal costs.

Other (expense) income

Other (expense) income primarily includes foreign currency transaction (losses) gains. For FY22, the Company recognized US$1.1 million in foreign currency exchange losses compared to US$0.2 million gains in FY21.

Interest expense

The Company remained debt-free during FY22 and had no interest expense during the year. Interest expense was incurred on borrowings entered into by Keypath during FY20 and were repaid in full at the IPO date. For FY21, the Company recognized a US$0.9 million non-cash write-off of unamortized balance of capitalized borrowing costs and the unwinding of the present value discount on the loan and US$0.4 million in early termination fees, which have been recognized as an interest expense in the consolidated statement of profit or loss.

Loss on redemption of non-controlling interest

A number of third parties held interests in the Group prior to the IPO primarily in the form of redeemable preferred units that carried a preferred return rate per annum. All non-controlling interests were redeemed from the proceeds from the IPO (see also comments on financial position below). For FY21, a US$27.7 million loss represents the difference between the payout values and their carrying amounts at the time of redemption.

Income tax (expense) benefit

For FY22, the Company recorded US$1.1 million income tax expense primarily related to withholding taxes, minimum state income tax payments and adjustments related to prior year differences. For FY21, the Company recorded US$0.4 million income tax benefit primarily related to the utilization of foreign net operating losses and the release of valuation allowances for its Canada and UK subsidiaries, post-IPO legal entity restructuring and recapitalization of certain foreign entities.

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For the Years Ended June 30, 2022 and 2021

Cash flows

	2022 US$'000	2021 US$'000
EBITDA	**(20,702)**	**(43,381)**
Non-cash items:		
Stock-based compensation expense	9,376	41,941
Legacy LTIP Cash Awards	813	3,187
Deferred income taxes	813	(670)
Other non-cash items	823	878
Change in net working capital	7,705	(11,797)
Interest paid	–	(1,382)
Income taxes paid	(533)	–
Cash flow from operating activities	**(1,705)**	**(11,224)**
Additions of amortizable intangible assets	(4,315)	(3,108)
Purchases of property and equipment	(555)	(1,035)
Cash flow from investing activities	**(4,870)**	**(4,143)**
Repayments of long-term debt	–	(10,000)
Proceeds of initial public offering, net of issuance and transaction costs	–	154,432
Payments to redeemable non-controlling interests	–	(58,608)
Payments to non-participating security holders	–	(18,322)
Cash flow from financing activities	**–**	**67,502**
Effect of exchange rate changes	(1,697)	617
Net cash flows	**(8,272)**	**52,752**

Net cash used in operations in FY22 decreased to US$1.7 million from US$11.2 million in FY21, primarily driven by strong revenue growth, collections and focus on cash management. During FY22, we have spent approximately US$19 million related to the FY22, FY23 and FY24 vintages primarily reflected in cash from operating activities. During FY21, we have spent approximately US$12 million related to the FY21 and FY22 vintages and $4.9 million of IPO transaction costs.

Net cash used in investing activities in FY22 increased to US$4.9 million from US$4.1 million in FY21 primarily representing the 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 cash flow activities in FY22. FY21 financing cash flows reflect the net proceeds from the IPO and the use of those funds to pay in full the non-controlling interests, the non-participating security holders and the borrowings.

Financial position

The Company's IPO has transformed its capital structure and provided the Company with liquidity sufficient to fund its operations and pursue its growth objectives. A summary of the financial position of the Company as of June 30, 2022 and June 30, 2021 is provided below.

	June 30, 2022 US$'000	June30, 2021 US$'000
Cash and restricted cash	59,179	67,451
Accounts receivable and other current assets	18,957	21,923
Accounts payable and other current liabilities	(29,319)	(23,040)
Net Working Capital	**48,817**	**66,334**
Property and equipment, net	1,260	1,715
Goodwill	8,754	8,754
Intangible assets, net	6,678	5,813
Other non-current assets	7,187	8,784
Other non-current liabilities	(440)	(951)
Net Assets	**72,256**	**90,449**
Common stock	2,082	2,082
Additional paid-in capital	255,530	246,154
Accumulated deficit	(185,356)	(157,787)
Total Equity	**72,256**	**90,449**

Board of Directors

Diana Eilert

Independent, Non-Executive Chair
Nomination Committee Chair

Diana was appointed as the independent, Non-Executive Chair of the Company in May 2021. She lives in New South Wales, Australia.

Diana has more than 10 years of experience as a listed company director and has held board roles in some of Australia's best-known companies. Her focus is on companies scaling up and sectors undergoing digital transformation.

Diana is currently a Non-Executive Director of ASX-listed companies Domain Holdings Australia Limited (appointed 2017) and Elders Limited (appointed 2017). In the past 3 years, Diana was a Non-Executive Director of Super Retail Group (2015–2021) and Navitas Limited (2014–2019).

With an extensive and diverse executive career spanning more than 25 years, Diana has run large businesses such as Group Executive running Suncorp's entire insurance business, and subsequently Group Executive for Technology, People and Marketing at Suncorp, as well as various profit and loss management roles in her 10 years with Citibank. Diana also held senior strategy roles at Newscorp, Kearney and IBM.

Diana is a member of the Australian Competition Tribunal and holds a Bachelor of Science (USyd) and a Master of Commerce (UNSW).

Steve Fireng

Executive Director and Global Chief Executive Officer (CEO)

Steve is the Global CEO and founder of Keypath. He was appointed an Executive Director of the Company in March 2021 and has served as CEO of the Keypath business since January 2014. Steve lives in Illinois, US.

Steve's experience in higher education spans four decades, having led both institutional and corporate teams. Prior to founding Keypath, Steve was CEO and President at EmbanetCompass (later renamed Pearson Online Services) where, after five years of leading the business, it was acquired by Pearson for US$650 million. He spent over 17 years at Career Education Corporation, holding a variety of senior leadership positions where he was one of the founding leadership members, growing American InterContinental University Online and Colorado Technical University Online from inception to over 30,000 students in five years, leaving as Group President.

Steve holds a Bachelor of Science (Business Administration) from the W.A. Franke College of Business at Northern Arizona University.

Melanie Laing

Independent, Non-Executive Director
People, Remuneration and Sustainability Committee Chair

Melanie was appointed as an independent, Non-Executive Director of the Company in May 2021. Melanie lives in New South Wales, Australia.

Melanie is a Non-Executive Director and global executive with an expansive and diverse background, bringing a depth of experience shaping enterprise-wide culture and capability in organizations undergoing significant change and growth, including in emerging markets.

Melanie was previously Group Executive, Human Resources at the Commonwealth Bank of Australia. Prior to this, she was the global Executive General Manager, People and Culture at Origin Energy and has previously held executive human resources leadership roles with Unisys Asia-Pacific, Vodafone Asia-Pacific and the General Re Corporation Europe, having lived and worked extensively overseas.

Melanie holds a Post Graduate Diploma in Personnel Management from the University of Westminster, London and a Bachelor of Arts (Hons) from the University of Witwatersrand, South Africa.

Melanie is a Fellow of the Australian Institute of Company Directors ("FAICD") and a Fellow of the Australian Human Resources Institute ("FAHRI").

Robert Bazzani

Independent, Non-Executive Director
Audit and Risk Management Committee Chair

Robert was appointed as an independent, Non-Executive Director of the Company in May 2021. Rob lives in Victoria, Australia.

Robert spent 21 years at KPMG, holding a variety of senior leadership positions including as Chairman of KPMG Victoria, National Managing Partner for KPMG Australia's Enterprise Division and National Managing Partner for KPMG's M&A Division. Whilst in these various roles, Robert was a member of KPMG's National Executive Committee, which oversees and is responsible for KPMG's turnover, strategic decision-making, profitability and operations.

Robert is currently Chairman of Natrio Australia and Non-Executive Director of Mach7 Technologies (appointed 2020).

Robert holds a Master of Business Administration from Monash University and a Bachelor of Laws (LLB) and Bachelor of Science from Monash University.

Susan Wolford

Independent, Non-Executive Director

Susan was appointed as an independent, Non-Executive Director of the Company in May 2021. Susan lives in Pennsylvania, US.

Susan spent 17 years at BMO Capital Markets, holding a variety of senior leadership positions, and was Vice Chair in her final role. She has extensive investment and corporate banking experience and, at BMO Capital Markets, was previously Group Head and Managing Director of the Technology and Business Services Group. She has advised hundreds of education companies on M&A and financing activity over the past 23 years.

Susan is on the Director's Leadership Council of the Rutgers Cancer Institute of New Jersey (appointed 2008). She is currently serving as a board member of Savvas Learning Company, Lightbridge Academy, Edify Acquisition Corporation and in 2022 became a board member of eDynamic Learning.

Susan holds a Master of International Affairs (International Finance) from Columbia University and a Bachelor of Arts (History) from Villanova University.

R. Christopher Hoehn-Saric

Non-Executive Director

Christopher was appointed as a Non-Executive Director of the Company in March 2021 and has served as Director of Keypath entities since 2014. Christopher lives in Florida, US.

Christopher is the Co-founder and Senior Managing Director of Sterling Partners, a growth-oriented, private-equity firm that was an early investor in Keypath. Since its founding in 1983, Sterling Partners has established a track record of successful investment activity throughout a variety of economic and market conditions.

Christopher is currently a board member for Shorelight Education (appointed 2014), Amerigo Education (appointed 2016), and Hudson Global Scholars (appointed 2019). Christopher has previously served as a director of other companies in the education industry, including Sylvan Learning, and Connections Academy.

Christopher is an emeritus Trustee of Johns Hopkins University, having served on its board of directors for 18 years.

M. Avi Epstein

Non-Executive Director

Avi was appointed as a Non-Executive Director of the Company in March 2021 and has served as Director of Keypath entities since 2014. Avi lives in Illinois, US.

Avi joined Sterling Partners in 2008 and is currently a managing director and serves as the firm's Chief Operating Officer, General Counsel and Chief Compliance Officer. Prior to this, Avi served as General Counsel and Vice President of Business Affairs for a division of Kaplan, Inc. and also worked as a corporate attorney with Katten Muchin Rosenman LLP.

Avi is also currently a board member of School of Rock, LLC (appointed 2019), Edcura (appointed 2018) and Cintana Education (appointed 2019).

Avi holds a Juris Doctor from Harvard Law School and a Bachelor of Arts (Political Science) from The Ohio State University.

Directors' report

Board

At all times throughout the Reporting Period, Keypath was directed by:

Director	Position	Board Committee Membership
Diana Eilert	Chair, Independent Non-Executive Director	» Nomination Committee (Chair) » Audit and Risk Management Committee » People, Remuneration and Sustainability Committee
Steve Fireng	Chief Executive Officer, Executive Director	None
Melanie Laing	Independent Non-Executive Director	» People, Remuneration and Sustainability Committee (Chair) » Nomination Committee
Robert Bazzani	Independent Non-Executive Director	» Audit and Risk Management Committee (Chair) » Nomination Committee
Susan Wolford	Independent Non-Executive Director	» Audit and Risk Management Committee » People, Remuneration and Sustainability Committee
R. Christopher Hoehn-Saric	Non-Executive Director	» People, Remuneration and Sustainability Committee
M. Avi Epstein	Non-Executive Director	» Audit and Risk Management Committee

Board attendance

The number of meetings of Directors (including meetings of committees of Directors) held during the Reporting Period, and the members' respective attendances, are set out below. Directors hold a standing invitation to attend all committee meetings, regardless of whether they are a member of the relevant committee:

Director	Board of Directors	Audit and Risk Management Committee	People, Remuneration and Sustainability Committee	Nomination Committee
	Attended/Held	Attended/Held	Attended/Held	Attended/Held
Diana Eilert	12/12	7/7	4/4	3/3
Steve Fireng	12/12	–	–	–
Melanie Laing	11/12	–	4/4	3/3
Robert Bazzani	12/12	7/7	–	3/3
Susan Wolford	12/12	7/7	4/4	–
R. Christopher Hoehn-Saric	11/12	–	3/4	–
M. Avi Epstein	12/12	7/7	–	–

Principal activities

As an EdTech provider, Keypath's principal activities throughout the Reporting Period were to provide online program management serving the postgraduate education market of traditional universities including: program design and development, marketing, management, student recruitment, student support, clinical placement services, faculty recruitment and additionally, the continued development and improvement of its KeypathEDGE data analytics platform to improve the experiences of universities and students alike.

Keypath has continued to build on and carry out the service offerings and vision first formulated by founder Steve Fireng at Keypath's inception in 2014. There were no significant changes in the nature of Keypath's business during the Reporting Period.

2022 review of operations

During the Reporting Period Keypath's revenue increased to US$118.4 million, up 21% from the previous Reporting Period. This increase in revenue has chiefly stemmed from course enrollment growth, strong student retention and the launch of new programs in key disciplines, particularly in the Healthcare vertical. In the same Reporting Period, Keypath's net loss decreased to US$26.7 million. These losses are primarily attributed to the Company investing into the largest vintages in its history, the expansion into new geographies and investments to support being a listed entity.

A detailed discussion of Keypath's results for the year ended June 30, 2022 is included in the Operating and Financial Review section of the Annual Report at pages 40 to 49.

Directors

The Directors of Keypath, since its listing on ASX on June 1, 2021 and up to the date of this Directors' Report, were Diana Eilert, Steve Fireng, Melanie Laing, Robert Bazzani, Susan Wolford, R. Christopher Hoehn-Saric, and M. Avi Epstein. Further details about the current Directors, including the Board Skills Matrix, are set out at pages 59 to 63 and in the Corporate Governance Statement on pages 59 to 67 of this Annual Report.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs during the Reporting Period.

Environmental regulation

Keypath is headquartered in Chicago, Illinois in the United States and also operates in Australia, Canada, Malaysia, Singapore and the United Kingdom. During the Reporting Period Keypath was not subject to any particular or significant environmental regulation in any of these jurisdictions.

Events subsequent to the reporting date

No matter or circumstances has arisen since June 30, 2022 which have significantly affected or has the potential to significantly affect Keypath's operations in future financial years, the results of those operations in future financial years or its state of affairs in future financial years.

Future developments in operations and expected results

As a leader within the global online higher education market and with reference to Keypath's upward historical growth trends, Keypath is confident in its ability to expand operations in future financial years. In particular, Keypath has invested in:

» **University partnerships:** Keypath's revenue is derived from providing services to universities, so Keypath plans to increase revenue by adding new programs with both existing university partners and new university partners.
» **Enrollments and retention:** Increased enrollment and retention in Keypath programs will also increase revenue, and so Keypath will continue to develop and enhance the KeypathEDGE data analytics platform to promote increased student enrollment and retention.
» **New products:** Keypath will also focus on identifying and responding to emerging, high demand industries so that it is able to expand the portfolio of service offerings which are appealing to new students.
» **New markets:** While Keypath has established markets in North America and Australia, it will continue to explore opportunities outside these markets including by increasing its presence in Southeast Asia and expanding into other countries with attractive growth possibilities.

Certain information regarding developments in operations in future years and expected results of those operations is excluded because it is likely to result in material prejudice to Keypath.

Directors' report

Remuneration Report

Keypath is a US-based company incorporated in the State of Delaware that is listed on the Australian Securities Exchange and, as such, is not subject to the remuneration disclosure requirements set out in section 300A of the *Corporations Act 2001 (Cth)* ("Corporations Act"). Notwithstanding this, the Board welcomes the opportunity to self-report remuneration information using the requirements of section 300A of the Corporations Act as a guide.

The majority of Keypath's senior executives are based in the US. While Keypath believes the market for talent is global, we recognize that we must also reflect the local market practices in which our executives reside. As such, our reward policies are designed to retain executives within the highly competitive EdTech industry in the US.

This Remuneration Report sets out information about the remuneration arrangements for Keypath's Key Management Personnel ("**KMP**") during the Reporting Period.

Key Management Personnel

Keypath's KMP are:

Executive[1]	KMP type	Positions Held	Term
Steve Fireng	Executive KMP	» Global Chief Executive Officer (CEO) and Executive Director	Full Year
Peter Vlerick	Executive KMP	» Global Chief Financial Officer (CFO)	Full Year
Diana Eilert	Chair, Independent Non-Executive Director	» Nomination Committee – Chair » People, Remuneration and Sustainability Committee – Member » Audit and Risk Management Committee – Member	Full Year
Melanie Laing	Independent Non-Executive Director	» People, Remuneration and Sustainability Committee – Chair » Nomination Committee – Member	Full Year
Robert Bazzani	Independent Non-Executive Director	» Audit and Risk Management Committee – Chair » Nomination Committee – Member	Full Year
Susan Wolford	Independent Non-Executive Director	» People, Remuneration and Sustainability Committee – Member » Audit and Risk Management Committee – Member	Full Year
R. Christopher Hoehn-Saric	Non-Executive Director	» People, Remuneration and Sustainability Committee – Member	Full Year
M. Avi Epstein	Non-Executive Director	» Audit and Risk Management Committee – Member	Full Year

1. Refer to the Directors' Report for further information relating to Directors.

Remuneration Governance

The primary purpose of the People, Remuneration and Sustainability Committee ("PRS Committee") is to provide an objective review and oversight of people, remuneration and sustainability related policies, frameworks and practices, so that they:

» align with the Company's purpose, culture and strategy
» support the achievement of the Company's overall strategies to grow value for shareholders
» remain appropriate to changing market conditions
» comply with the Company's performance and risk management framework
» comply with legal and regulatory requirements

As it relates to People and Remuneration, the PRS Committee assists the Board by reviewing and making recommendations to:

» Keypath's Remuneration Policy, including as it applies to Directors and the process by which any pool of Non-Executive Directors' fees approved by shareholders is allocated to Directors
» remuneration packages of the Executive Leadership Team and Non-Executive Directors, equity-based incentive plans and other employee benefit programs
» policies governing the recruitment, retention, termination and performance of Keypath's Executive Leadership Team
» diversity and inclusion, including reviewing and recommending measurable objectives for achieving gender diversity in Keypath's workforce
» organizational change and business transformation initiatives, as well as employment engagement strategies
» strategies, policies and processes to promote a positive and safe working culture

The PRS Committee met formally four times during FY22 with the following members: Melanie Laing (Chair), Diana Eilert, Susan Wolford and R. Christopher Hoehn-Saric.

Further details of the role and function of the Committee can be found in the PRS Committee Charter which is available on Keypath's website at https://keypathedu.com/investor-relations/corporate-governance.

Remuneration Advisors may be appointed by the Committee or management to provide external advice. In FY22, the Company engaged external advisors to provide market data and insights, and review remuneration disclosures. When advice and market data is obtained, the PRS Committee follows protocols regarding the engagement and use of external remuneration advisors to ensure ongoing compliance with relevant legislation. No remuneration recommendations were provided in FY22.

Remuneration principles and framework

OUR VALUES

OUR TOTAL REWARD PRINCIPLES

- Competitive to attract the best talent
- Global with local at the heart
- Aligned to shareholder, and partner success
- Key driver to unlock greatness
- Celebrate our culture and values

OUR REMUNERATION POLICY

Establishes a framework for remuneration that is designed to:

» ensure the attraction and retention of the best talent, who will create value for shareholders
» fairly and responsibly reward all employees, including Non-Executive Directors and the Executive Leadership Team, having regard for Keypath's performance, the performance of the individual and the general pay environment
» comply with all relevant legal and regulatory provisions

More information regarding the Remuneration Policy can be found on our website at https://keypathedu.com/investor-relations/corporate-governance.

Directors' report

Executive KMP FY22 remuneration

Base salary

Keypath provides a competitive base salary with regard to the responsibilities and accountabilities of the position, market benchmarks and experience of the executive. The PRS Committee reviews the base salaries of its executives on an annual basis, considering the performance of the Company and the individual.

No changes to Executive KMP base salaries were made during FY22.

For the Years Ended June 30	Base salary 2022	Base salary 2021	Change %
Steve Fireng, CEO	US$550,000	US$550,000	0%
Peter Vlerick, CFO	US$370,000	US$370,000	0%

Short-term incentive component

To promote and reward outstanding performance, executives are eligible for an annual cash incentive payment under Keypath's Incentive Compensation Plan ("ICP"), calculated as a target percentage of base salary.

For FY22, the target ICP opportunity was 60% of base salary for the CEO and 50% of base salary for the CFO, with opportunities to exceed target if the Company outperformed on revenue and Adjusted EBITDA targets. The CEO's and CFO's maximum ICP opportunity in FY22 was 180% of their target bonuses, or 108% and 90% of their base salaries, respectively.

An ICP payment is only earned if Keypath achieves a minimum global revenue threshold determined by the Board each year and if the executive remains employed by Keypath on the date of payment. The FY22 ICP was weighted as follows:

- 50% on global revenue target achievement
- 30% on global Adjusted EBITDA target achievement
- 20% on achievement of Board-approved individual objectives

For FY22, based on the financial and individual achievements of the Executive Leadership Team, the executives earned ICP payments at 87% of their target weighting. Whilst below the stretch targets that we set for our management team, this achievement reflects the strong +20.7% revenue growth in FY22 and overachievement on Adjusted EBITDA target as Keypath makes progress towards the path to profitability.

Long-term incentive component

Equity is a significant component of executive remuneration, as the Board believes it is a critical element to ensure alignment with shareholder interests and the long-term growth of the Company.

Keypath adopted the 2021 Equity Incentive Plan ("Incentive Plan") with effect from May 2021 that provides the framework under which individual grants of equity-based awards ("Awards") may be made to Directors and employees of the Company. The Incentive Plan was designed to allow the Board to grant Awards to attract and retain key employees, and to align the interests of its Directors and employees with those of the Company and its shareholders.

Options were granted under the Incentive Plan in FY21, following the IPO, and detailed in prior disclosures. These Options are exercisable from the third anniversary of grant date provided the Option holder remains a Director or employee of Keypath, expire on the sixth anniversary of the grant date, and are otherwise subject to the terms of the Incentive Plan. There are no further performance-based vesting hurdles. No additional equity grants were made in FY22.

A full copy of the Incentive Plan was announced to ASX platform on June 1, 2021 and more details can be found on our website at https://keypathedu.com/investor-relations/corporate-governance.

As our first full year as a listed organization, the Board is in the process of making decisions on FY23 and the future Total Reward model. As part of this structure, Keypath will continue to evolve our remuneration design to an annual grant model ensuring we retain our high performing executives and provide appropriate motivation as we continue our growth. More details can be found below in FY23 Executive Remuneration Framework.

KMP	FY22 ICP Target	FY21 ICP Target	% change	FY22 ICP Actual	FY21 ICP Actual
Steve Fireng, CEO	US$330,000	US$330,000	0%	US$286,436	US$382,800
Peter Vlerick, CFO	US$185,000	US$185,000	0%	US$160,578	US$176,264

Legacy Long-Term Incentive Plan ("LTIP") Cash Awards

As outlined in the FY21 annual report, Steve Fireng and Peter Vlerick were granted legacy LTIP Cash Awards on completion of the IPO which may result in cash payments to them of US$2,500,000 and US$500,000 respectively.

The performance criteria was not achieved at the first testing period, being the first anniversary of the IPO, or the second testing period, being June 30, 2022, and therefore no legacy LTIP Cash Award has been paid in FY22.

The legacy LTIP award will continue to be performance tested at the end of any subsequent three-month period in the 12 months following the anniversary of the IPO (i.e. representing potentially three additional subsequent retesting dates).

If the holder of the legacy LTIP Cash Award remains in continuous employment with Keypath, and the test criteria described above is achieved, payout may be triggered in FY23 and reported in subsequent disclosures.

Fixed benefits

Certain fixed benefits are provided to executives in line with legislative requirements and prevalent market benefits of the residing country of the executive. Keypath's Executive Leadership Team is predominantly based in the US, with one executive located in Australia. Fixed benefits for our executives therefore include medical benefits, life and disability insurance, and retirement benefits such as participation in Keypath's 401(k) Plan or superannuation contributions.

FY23 Executive Remuneration Framework

Twelve months following the successful listing of Keypath, the Board conducted a comprehensive review of the executive remuneration framework to ensure it is market competitive in the jurisdictions in which it operates, is aligned to Keypath's strategy and objectives and is fit for purpose.

As the Company continues to evolve and mature, a significant priority for the Board is to ensure the remuneration framework meets the objectives of attracting, retaining and incentivizing senior executives in the context of a highly competitive global technology sector.

The key concerns for the Board have been to ensure the remuneration framework:

» is structured to focus management on the growth drivers that will create long-term shareholder value
» provides a compelling remuneration in the highly competitive technology sector that will attract and retain global talent

With these guiding principles and a comprehensive review of global practices, the long-term incentive structure for FY23 will comprise of:

» Long-term Incentive (LTI) award contingent on achieving key financial performance hurdles over three years
» Long-term Equity (LTE) award aligned to US market practice that is contingent on continued service and vesting over three years

These long-term incentives will be delivered in equity as Restricted Stock Units ("RSUs"). Details of the incentive program will be set out in the 2022 Notice of Annual General Meeting Resolution for shareholder approval of equity to be granted to the Managing Director.

Non-Executive Director compensation

The Board seeks to set Non-Executive Director fees at a level that provides Keypath with the ability to attract and retain high caliber Non-Executive Directors in various geographies with relevant professional expertise. The fees reflect the demands that are made on, and the responsibilities of, these Non-Executive Directors, while incurring a cost that is acceptable to shareholders.

Under the ASX Listing Rules, the total amount or value of remuneration paid to Non-Executive Directors in any year may not exceed the amount approved by Keypath's shareholders. This amount is currently fixed at A$1,200,000 per annum and is expected to allow for the appointment of future Non-Executive Directors, who are considered appropriate by the Board. Any increase to the aggregate amount of fees payable to Non-Executive Directors must first be approved at a Keypath general meeting of shareholders. The total of Board and Committee fees, including superannuation, paid to Non-Executive Directors in FY22 remained within the approved fee pool.

The Board and standing Committee policy fees are summarized in the table below:

Board/Committee	Chair	Member
Board	A$200,000	A$100,000
Audit and Risk Management Committee	A$25,000	A$10,000
People, Remuneration and Sustainability Committee	A$25,000	A$10,000
Nomination Committee	Nil	Nil

Note: Figures listed above are inclusive of all statutory superannuation contributions that Keypath will pay where required by law.

Diana Eilert, in her capacity as Chair, does not receive additional remuneration for her membership on the Board committees; and R. Christopher Hoehn-Saric and M. Avi Epstein, being associated with Keypath's majority shareholder, do not receive Non-Executive Directors' fees or, fees for being members of Board committees.

There were no increases to Non-Executive Director remuneration in FY22, and no further changes are anticipated before July 2023.

Directors' report

Equity ownership of KMP

The securities held by Directors, and Executive KMP of the organization, and changes made throughout FY22, is shown below. There were no securities granted as remuneration, received on exercise and no other changes through the financial year.

Equity ownership as of June 30, 2022:

	June 30, 2021					June 30, 2022			
Executive Director/KMP	**CDI's**	**CDI Rights**	**Options**	**Total**	**CDI's Purchased**	**CDI's**	**CDI Rights**	**Options**	**Total**
Steve Fireng	9,362,419	–	1,424,561	10,786,980	–	9,362,419	–	1,424,561	10,786,980
Peter Vlerick	–	1,827,170	645,833	2,473,003	–	–	1,827,170	645,833	2,473,003
Diana Eilert	80,863	–	128,070	208,933	12,000	92,863	–	128,070	220,933
Melanie Laing	30,997	–	83,246	114,243	–	30,997	–	83,246	114,243
Robert Bazzani	30,997	–	83,246	114,243	17,100	48,097	–	83,246	131,343
Susan Wolford	30,997	–	83,246	114,243	–	30,997	–	83,246	114,243
R. Christopher Hoehn-Saric	–	–	–	–	–	–	–	–	–
M. Avi Epstein	–	–	–	–	–	–	–	–	–

Corporate Governance Statement

Keypath is committed to maintaining a high standard of corporate governance to support its growth and the creation of sustainable value for its stakeholders.

In accordance with Keypath's high governance standards and ASX Listing Rule 4.10.3, we are pleased to report our progress and alignment with the recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 4th edition, 2019 (ASX Recommendations).

Corporate Governance Statement

Board of Directors

Board responsibilities

The Keypath Board Charter governs the Board's operations, role and responsibilities, composition, structure and membership requirements. The Board Charter identifies those matters reserved for the Board and those delegated to the CEO and management team.

Subject to any applicable ASX Listing Rules, the Corporations Act (to the extent applicable), or Delaware law (the American state in which Keypath is incorporated), the Board is responsible for the overall operation and stewardship of Keypath, and in particular, promoting the long-term growth, compliance and profitability of the strategies, values, policies and financial objectives of Keypath.

The CEO and the Executive Leadership Team are responsible for running the day-to-day affairs of Keypath under delegated authority from the Board. The role of management is to support the CEO and the Executive Leadership Team and to run the general operations and financial business of Keypath.

The Board conducted a review of the Board Charter during the Reporting Period and approved the charter as constituted. The Board will continue to review and reassess its Board Charter at least annually, and make any amendments deemed appropriate. The Board Charter was last reviewed on June 10, 2022.

Nomination and appointment of new Directors

The Board Charter sets out Keypath's procedures for the selection, appointment and re-appointment of Directors. The Nomination Committee, constituted pursuant to the Nomination Committee Charter established by the Board, is also responsible for developing and implementing procedures and processes for the selection and appointment of Directors, having regard to their skills, experience and judgement amongst other matters.

When considering the suitability of an individual to become a Director (or a senior executive), the Board undertakes appropriate checks before appointing the person or putting the person forward to shareholders as a candidate for election or appointment. In the case of potential Board Directors, these checks will usually include reviewing the candidate's character, experience, education, criminal record and bankruptcy history. The Board will also seek confirmation from the candidate that they will have sufficient time to fulfill their responsibilities as a Director of Keypath.

Before recommending a candidate for election as a Director, the Board will ask the candidate to provide the information necessary to enable shareholders to make an informed decision as to whether to elect or re-elect the candidate. This will include:

» the candidate's biographical details such as relevant qualifications, experience and skills
» details of any other material directorships currently held by the candidate

As required by the Board Charter, a written agreement is in place with all current Directors and members of the Executive Leadership Team, setting out the terms of their appointment.

Nomination Committee

In addition to its role in selecting and appointing new Directors, the Nomination Committee also assists the Board in regard to Director re-election, induction and professional development of Board members, to ensure the Board is effective and high performing.

The Nomination Committee is comprised of Diana Eilert (Chair), Robert Bazzani and Melanie Laing, each of whom are independent Non-Executive Directors.

The Nomination Committee meets as frequently as is necessary to discharge its duties, and during FY22 met on three occasions.

The Nomination Committee conducted a review of the Nomination Committee Charter during the Reporting Period, and made minor updates to the charter, including amendments to reflect re-alignment between Committees. As a result, the Executive Director (Global CEO) succession planning, remuneration, objective setting and performance assessment now fall under the remit of the Nomination Committee.

The Nomination Committee will continue to review and assess its Nomination Committee Charter and, at least annually, will make any amendments deemed appropriate. The Nomination Committee Charter was last reviewed on April 5, 2022.

Role of Company Secretary

The Board Charter sets out the Company Secretary's role and prescribes responsibilities with reference to the ASX Recommendations. The Company Secretary is appointed and removed by the Board. The Company Secretary reports to, and is accountable to, the Board on all matters to do with the proper functioning of the Board and its committees.

Diversity

Keypath's Diversity and Inclusion Policy details its commitment to supporting and developing diversity through attracting, recruiting, engaging and retaining diverse talent and aligning Keypath's culture with this commitment.

Keypath is committed to providing and promoting a corporate culture which embraces diversity in line with its Diversity and Inclusion Policy, and aims to do so via:

» promoting the principles of merit and fairness when making decisions about recruitment, development, promotion, remuneration and flexible work arrangements for employees at all levels
» considering a range of facets of diversity in addition to gender when considering the composition of the Board, including age, ethnicity and background
» embedding the importance of diversity within Keypath's culture by encouraging and fostering a commitment to diversity by leaders at all levels while recognizing that diversity is the responsibility of all employees
» reinforcing with Keypath's people that in order to have an inclusive workplace, discrimination, harassment, vilification and victimization will not be tolerated within Keypath

Keypath has established objectives with respect to diversity and inclusion as described in the Diversity and Inclusion Policy and further detailed in Keypath's Diversity, Equity and Inclusion ("DEI") Framework. Keypath is committed to designing, implementing and/or maintaining programs and initiatives to assist with improving diversity, including those as set forth in ASX Recommendations. The Board has not yet established formal measurable diversity objectives; however, the Company has engaged in a strong program of DEI initiatives, as discussed in this Corporate Governance Report, and on pages 36 to 37 of our ESG Report.

Fifty percent of Keypath's Non-Executive Directors are women, including the Chair (who also chairs the Nomination Committee) and the PRS Committee Chair.

Keypath also continued its commitment to the global DEI Framework first established in 2020. The PRS Committee approved the FY22 DEI Framework with goals to:

» expand representation within the workforce;
» ensure equitable access to career opportunities and leadership development
» continue to teach Keypathers how to work collectively in a diverse organization
» build an impactful, consistent, sustainable approach to DEI for future years

The DEI Framework is brought to life by the Keypath Global DISC ("Diversity and Inclusion Standing Committee") and their contribution to DEI at Keypath is discussed in further detail in Keypath's 2022 ESG Report.

As a relevant employer under the *Workplace Gender Equality Act 2012* (Cth), Keypath publishes its gender equality indicators on the Workplace Gender Equality Agency website.

The Board periodically reviews its Diversity and Inclusion Policy.

Board performance review and evaluation

In accordance with the Board Charter, the Board undertakes an annual evaluation of the performance of the Board, each Board Committee and their respective Chairs and individual Directors, comparing their performance with the requirements of the Board Charter, relevant Committee charters and the reasonable expectations of such functions. The following reviews have been completed during the Reporting Period:

Board or Committee	Annual Evaluation Completed
Board	✓
Audit and Risk Management Committee	✓
People, Remuneration and Sustainability Committee	✓
Nomination Committee	✓

Keypath also undertakes a periodic review of whether there is a need for existing Directors to undertake professional development to acquire or maintain the skills and knowledge needed to perform their role effectively. During the Reporting Period the Board undertook a self-assessment of their skills, the results of which are outlined at page 62.

The Nomination Committee is responsible for reviewing and making recommendations to the Board in relation to the process for evaluating the performance of the Board, each Board Committee and individual Directors.

The People, Remuneration and Sustainability Committee is responsible for:

» regularly reviewing and making recommendations to the Board with respect to the appropriate remuneration policy for Executive Directors
» making recommendations as to the structure of remuneration for Non-Executive Directors, including in relation to equity-based incentives, reimbursement of expenses and other benefits

Following a Board performance review, the Chair establishes the goals and objectives of the Board for the upcoming year and reviews the Board's skills matrix to assess the Board's ability to discharge its duties and lead Keypath.

Executive Leadership Team performance evaluation

The Board approves criteria for assessing, monitoring and evaluating the performance of the Executive Leadership Team ("ELT"). ELT performance is evaluated at least once each Reporting Period and evaluations have been performed for the Reporting Period.

The Nomination Committee is also responsible for reviewing and making recommendations to the Board on the succession plans of the ELT to maintain an appropriate balance of skills, experience and expertise in the management of Keypath.

Relatedly, the PRS Committee is tasked with regularly reviewing and making recommendations to the Board with respect to an appropriate remuneration policy for members of the ELT.

Structure and composition of the Board

The Board is currently comprised of seven Directors, including four independent Non-Executive Directors. Detailed biographies of Keypath's Directors are set out on pages 50 to 51 of this Annual Report.

Board skills and experience

The Board believes that its membership should comprise Directors with an appropriate mix of skills, professional experience, knowledge and expertise.

In accordance with the Board Charter, and with the assistance of the Nomination Committee, the Board members have, during the Reporting Period, re-assessed their own skills in accordance with the Board's skills matrix to determine whether the Board possesses the skills needed to address existing and emerging skills and individual director development. The updated skills matrix of the Board is located at page 62 of this Annual Report and the Board has determined that it holds the appropriate mix of skills for a listed entity of the size of Keypath and for the industry in which it operates.

When required to select potential new directors, the Nomination Committee will use the Board's skills matrix as a part of assessing the needs of the Board against its current composition to ensure that there is a range of skills, knowledge and experience required to enable the Board to fulfill its responsibilities.

Corporate Governance Statement

Board skills matrix

Number of Directors and skill level	
Strong ×4, Extensive ×3	**STRATEGY** Development and/or implementation of enterprise-wide strategy
Strong ×4, Extensive ×3	**FINANCIAL AND COMMERCIAL ACUMEN** Understanding of financial accounting and reporting, corporate finance and financial risks; accounting standards and application; business value drivers Experience in smaller, high-growth companies
Limited ×3, Strong ×2, Extensive ×2	**EDUCATION SECTOR** Understanding of higher education sector Experience with student programs and delivery Oversight or work with university leadership
Limited ×4, Strong ×2, Extensive ×1	**TECHNOLOGY AND DATA** Information technology strategies, architecture and applications Data analytics Digital platforms and culture Digital disruption/leading-edge tech Cybersecurity
Limited ×3, Strong ×2, Extensive ×2	**REGULATION AND POLICY INFLUENCE/DEVELOPMENT** Public policy and regulation Environmental and sustainability regulation
Limited ×2, Strong ×2, Extensive ×3	**MARKETING, PRODUCT AND SALES** Development or oversight of “go to market” implementation – service- or product-based Brand and customer-based design
Limited ×2, Strong ×4, Extensive ×1	**INTERNATIONAL MARKETS** US Australia Asia Global mindset and experience – significant exposure/working experience in a number of different global environments/jurisdictions (including emerging economies)
Strong ×4, Extensive ×3	**HUMAN RESOURCES** Human resource management, including organizational culture, talent development, succession planning Development and management of remuneration schemes, including executive, salesforce and Award-based remuneration Management and overview of workforce health and safety Change Management
Limited ×2, Strong ×5	**STAKEHOLDER MANAGEMENT** Development, management and/or oversight of relationships with stakeholders including: » Investors » University decision makers » Regulators/government Development, management and/or oversight of Environmental, Social and Governance (“ESG”) Program
Limited ×2, Strong ×2, Extensive ×3	**LISTED COMPANY BOARD EXPERIENCE** Director (Executive or Non-Executive) of a listed company Committee chair or member of Board sub-committees of a listed company
Limited ×3, Strong ×4	**RISK MANAGEMENT** Development of risk frameworks, prioritization, risk management and risk mitigation Governance and accountability Crisis management
Limited ×2, Strong ×2, Extensive ×3	**CAPITAL PROJECTS, ACQUISITIONS AND DIVESTITURES** Experience in evaluating projects with large scale financial commitments, investment horizons and major transactions

KEY

EXTENSIVE EXPERIENCE · STRONG EXPERIENCE · LIMITED EXPERIENCE · NO EXPERIENCE

Director independence

Keypath recognizes the role of independent Directors in assuring security holders that the Board is able to act in the best interests of Keypath and independently of management.

Keypath considers Diana Eilert (Chair), Melanie Laing, Robert Bazzani and Susan Wolford to be independent, being those Directors free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment. In reaching the conclusions set out above, the Board considered the guidelines of materiality for the purpose of determining director independence as set out in Box 2.3 of the ASX Recommendations, as well as other facts, information and circumstances that the Board considers relevant.

Each of Diana Eilert, Melanie Laing, Robert Bazzani and Susan Wolford were appointed as Non-Executive Directors of Keypath in May 2021. Steve Fireng, the Global CEO and an Executive Director, has served as CEO of the Keypath business since January 2014 and was appointed as an Executive Director in March 2021. Both R. Christopher Hoehn-Saric and M. Avi Epstein were appointed as a Non-Executive Director of Keypath in March 2021 and have served as Directors of Keypath entities since 2014. All Directors were re-elected for another one-year term at the Annual General Meeting held on 18 November 2021.

Keypath's independent Directors meet separately at the start and/or end of each Board meeting.

Induction of new Directors and ongoing development

The Nomination Committee is responsible for developing or arranging a program for inducting new Directors and reviewing the need for existing Directors to undertake professional development.

Keypath's induction program includes:

» meetings with senior executives in the form of videoconference, presentation and question and answer ("Q&A") to gain a strong understanding of Keypath's structure, operations, growth strategy, financial details, history, culture, regulatory considerations and risks
» meetings with internal and external legal counsel in the form of videoconference, presentation and Q&A providing training on the legal and governance responsibilities of a Director of an ASX listed entity

New Directors are also be provided with important information about Keypath and its business. The Nomination Committee will regularly review and adapt the professional development programs available to Directors to ensure that each Director has and maintains an appropriate mix of skills and knowledge.

Culture

Our values and Code of Conduct

Keypath's mantra is to "unlock greatness", in educators, in students and in our own staff. Our culture supports this aim, and is underpinned by the four core values of collaboration, commitment, innovation and lifelong learning:

» **Collaboration:** Keypath's diverse people are at the heart of what makes Keypath a great place to work and why it is committed to collaboration, teamwork and transparency.
» **Commitment:** Keypath has an unwavering commitment to its vision and mission. By being committed and accountable to its colleagues and its collective goals as a company, it delivers results and achieves success for its partners and their students.
» **Innovation:** Keypath's focus is on providing innovative solutions to its partners and working with them to transform education. As disrupters and innovators, Keypath embraces an entrepreneurial mindset and strives to find the best answers through creativity and challenging the status quo.
» **Lifelong learning:** Education does not stop at graduation – not for Keypath's students, and not for Keypath. Keypath believes in the potential within everybody, and that this potential is unlocked by fostering a culture that encourages curiosity and learning in any way possible.

These values are incorporated into training programs and performance and assessment processes. Keypath's values are set out in its Code of Conduct which is reviewed periodically. The Code of Conduct Policy was last reviewed on May 11, 2021, the date it was adopted.

As expressed in the Code of Conduct, Keypath is committed to fostering an organizational culture of acting lawfully with openness, ethically, fairly, honestly and with integrity in a manner consistent with the expectation of investors and the broader community. This is reflected in Keypath's Code of Conduct which sets out expectations for how Keypath solves problems and makes decisions.

The Code of Conduct Policy requires material breaches of the policy to be reported to Keypath's Board.

Corporate Governance Statement

Whistleblower Policy

To facilitate a working environment that observes the highest standards of business and personal ethics, the Board adopted a Whistleblower Policy. This policy helps to ensure all Directors, officers, employees, consultants, contractors and suppliers feel safe to speak up when there are reasonable grounds to suspect that Keypath or any individuals working for Keypath, are acting unlawfully, unethically or in violation of Keypath's policies.

The Whistleblower Policy explains who can make a report, what can be reported, how to make a report and how Keypath will protect the whistleblower's confidentiality and identity. The policy also details Keypath's approach to investigating any reports it receives.

The Board will review and reassess its Whistleblower Policy periodically at least every two years and, if required, make any amendments to the policy.

Anti-bribery and Corruption Policy

Keypath strictly prohibits the offer, provision or acceptance of bribes and is committed to ensuring its corporate culture actively discourages corrupt conduct in the strongest possible terms. To this end, the Board has adopted an Anti-bribery and Corruption Policy in line with the Anti-bribery and corruption standards required by the ASX Recommendations.

The Anti-bribery and Corruption Policy covers such topics as bribery and corruption, gifts and hospitality, tenders and procurement, donations and sponsorships, and how to raise concerns about these matters. Any and all breaches of the policy must be reported to the Board or a Board Committee.

Keypath periodically reviews the Anti-bribery and Corruption Policy to ensure its effective operation.

Integrity of Corporate Reports

Audit and Risk Management Committee

The Board has established the Audit and Risk Management Committee ("ARMC") to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to Keypath's financial reports and financial reporting process and internal control structure, risk management systems (financial and non-financial) and the external statutory audit process.

The ARMC is constituted pursuant to the Audit and Risk Management Committee Charter and is comprised of Robert Bazzani (Chair), Diana Eilert, Susan Wolford and M. Avi Epstein, the majority of whom (M. Avi Epstein excepted) are independent Directors. Detailed information on the qualifications and experience of each of these members (and all of Keypath's Directors) is set out on pages 50 and 51 of this Annual Report.

The ARMC meets as frequently as necessary to effectively discharge its duties, being a minimum of four times per calendar year. In the Reporting Period, the ARMC met seven times to perform its duties, including in relation to quarterly and half-year financial reporting approvals. The ARMC reviews Keypath's risk management framework at least annually to satisfy itself that it continues to be sound and that Keypath is operating with due regard to the risk appetite set by the Board.

Assurances by management

The integrity of Keypath's financial reporting depends upon the existence of a sound system of risk oversight, management and internal control.

Prior to the Board's approval of Keypath's financial statements for a financial period, the Board and ARMC must first receive a declaration from the Global CEO and CFO that, in their opinion, the financial records of Keypath and its controlled entities have been properly maintained and that the financial statements comply with the applicable accounting standards and give a true and fair view of the financial position and performance of Keypath and its controlled entities and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

This declaration was provided to the Board by the Global CEO and CFO with respect to the financial reports prepared during the Reporting Period.

Verification of corporate reports

The ARMC is responsible for making recommendations to the Board on its processes to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external statutory auditor (such as the Directors' Report or this Corporate Governance Statement).

Keypath applies internal review, verification and approval processes to material public information, including periodic corporate reports that are not audited or reviewed by Keypath's external auditor. These established processes seek to ensure the accuracy of unaudited reports and are tailored to the nature of each periodic report. Typically, internal subject matter experts will prepare the document with input from Keypath's CFO and General Counsel. The report will then be provided to internal stakeholders and/or relevant executives (including the cross-checking of data against key source documents) and external advisors (if required), for their further comments. Following this, relevant periodic corporate reports are presented to the Board for their review and approval prior to release.

Continuous disclosure

Keypath has processes in place to provide stakeholders, market participants and the wider community with timely and equal access to material and relevant information relating to Keypath's activities and performance so that trading in Keypath's securities takes place in an efficient, competitive and informed market. The Board has adopted a Continuous Disclosure Policy which aims to:

» ensure compliance with Keypath's continuous disclosure obligations
» clearly set out the responsibilities of the Board, the Company Secretary and all other Keypath personnel
» promote investor confidence in Keypath's securities

The Company Secretary is responsible for the overall administration of the Continuous Disclosure Policy and all communications with ASX. The Board is responsible for approving any subsequent amendments to the Continuous Disclosure Policy and may be involved in the review of significant announcements. At least two of the CFO, the Global CEO, the Company Secretary and the Chair will be responsible for determining what information is to be disclosed. All employees have a duty to report any material price sensitive information to their disclosure officer, be it a general manager, the Company Secretary or the Chair.

All price sensitive information disclosed to ASX is posted to Keypath's website as soon as it is disclosed to ASX. Keypath periodically reviews the Continuous Disclosure Policy to ensure its effective operation.

The Company Secretary provides the Board with copies of all material market announcements promptly after they have been made to ensure that the Board has timely visibility of the nature and quality of the information being disclosed to the market and the frequency of such disclosures. This obligation is also set out in Keypath's Continuous Disclosure Policy.

In accordance with Keypath's Continuous Disclosure Policy and its Communications Policy, Keypath releases any new and substantive presentations to ASX prior to delivering any such presentation, it also places any new and substantive investor or analyst presentations on the website ahead of any presentation.

Security holder engagement

Security holder engagement

Keypath has created an "Investors" section of its website to easily convey all relevant information regarding its corporate governance policies and procedures, including information about its Directors. Interested parties may also access copies of Keypath's financial reports and ASX announcements from the same investor section of its website.

Keypath is committed to effective communication with its clients, customers, shareholders, market participants, employees, suppliers, financiers, creditors, other stakeholders and the wider community.

To support its commitment, Keypath has an investor relations program led by the Director of Investor Relations that focuses on both professional and retail investors to help them understand matters of interest or concern to those investors. The investor relations program also seeks to empower investors to raise significant concerns which will then be conveyed to the Board or senior management as appropriate.

Keypath periodically reviews its Communications Policy to ensure its effective operation.

Keypath provides shareholders with reasonable notice of shareholder meetings, in line with its regulatory obligations, including details of the time and place of the meetings (which may be held online or in hybrid format, laws and regulations permitting), the resolutions to be considered and proxy voting procedures.

Corporate Governance Statement

Where a vote is to be put to shareholders, all shareholders are provided with details of the resolution, are invited to attend the meeting and are provided with the ability to vote in person by poll (if a physical meeting is held), online or to vote by proxy. As Keypath is an ASX listed foreign company incorporated under the General Corporation Law of the State of Delaware in the United States, it has on issue both shares of common stock and CDIs over those shares of common stock. Different voting procedures apply to holders of common stock and holders of CDIs. Accordingly, to enable shareholders to exercise their votes correctly, Keypath also provides detailed instructions and guidelines on how holders of common stock and holders of CDIs may vote.

In advance of shareholder meetings and as set forth in a notice of meeting, shareholders may submit questions about, or make comments on, the management of Keypath. Keypath encourages shareholders to submit their questions prior to the meeting in accordance with the detailed instructions in the Notice of Meeting. Where appropriate, these questions and comments will be read out and answered at the meeting. Security holders are given the option to receive communications from, and send communications to, Keypath and its share registry electronically. All attendees of the annual general meeting will also be able to ask questions live at the meeting.

Keypath was established in Delaware and is currently headquartered in Chicago, Illinois in the United States. To enable its United States and Australian shareholders to participate in meetings, Keypath schedules its shareholder meetings virtually and at a reasonable local time in Chicago and Sydney.

Keypath's next meeting of shareholders will be its Annual General Meeting in respect of the Reporting Period, to be held at on November 15, 2022

Keypath intends to make its external auditor PricewaterhouseCoopers available at its next annual general meeting to answer relevant questions submitted by Keypath's security holders.

Risk management

Risk management and assurance

Keypath has adopted a Risk Management Policy which outlines Keypath's risk management framework. The Risk Management Policy establishes processes for:

- identifying, monitoring and managing risk
- assisting Keypath to understand identified risks
- allocating appropriate responsibilities of the Board and other personnel of Keypath in managing risk

The ARMC is responsible for assisting the Board in fulfilling its corporate governance and oversight responsibilities in relation to Keypath's risk management systems. The ARMC will (among other things):

- monitor the adequacy of Keypath's processes for managing risk
- make recommendations to the Board regarding Keypath's processes for managing risk or to the risk appetite set by the Board
- receive reports from management on new and emerging sources of risk and the risk controls that management has put in place to deal with those risks
- review material incidents or break-downs of Keypath's risk controls or other failures of Keypath's internal controls

Keypath, being one or both of the Board or the ARMC, reviews its Risk Management Policy at least once every Reporting Period to ensure its effective operation. The ARMC has reviewed the Risk Management Policy and framework and is satisfied that its current framework is a sound system of risk management and internal control. The ARMC will continue to review the risk management framework in the next Reporting Period as required by the Audit and Risk Management Charter.

Internal audit

The Board considers that an internal audit function is not currently required; however, the ARMC still reviews the business and reports to the Board regarding Keypath's internal processes for managing material risks and internal controls.

The Board is satisfied that the processes in place to identify Keypath's material business risks are appropriate and that these risks are being effectively managed.

Environmental and social risks

It is the role of the ARMC to identify, assess and manage material risks that arise in the course of business. Keypath reviews key risks on an ongoing basis and manages them via a risk management and governance framework which is overseen by the ARMC. Additionally, the PRS Committee assesses certain risks, including environmental and social matters.

The Board does not believe that Keypath has any material exposure to environmental or social risks. We will continue to conduct a risk assessment in each Reporting Period.

Performance and remuneration

The role of the PRS Committee is to objectively review and oversee people, performance, remuneration and sustainability related policies and practices to ensure they remain appropriate to changing market conditions and align with Keypath's purpose, culture and strategy. The PRS Committee is governed by the People, Remuneration and Sustainability Charter, and is comprised of Melanie Laing (Chair), Diana Eilert, Susan Wolford and R. Christopher Hoehn-Saric, the majority of whom (R. Christopher Hoehn-Saric excepted) are independent Directors.

The PRS Committee met four times during the Reporting Period and intends to meet as frequently as necessary to effectively discharge its duties in the next Reporting Period.

Remuneration Policy

Keypath's policies and practices regarding the remuneration of its Directors and Executive Leadership Team are set out in the Remuneration Policy. The PRS Committee is responsible for assisting the Board to determine appropriate remuneration.

The PRS Committee makes recommendations to the Board regarding the remuneration of Directors and senior management having regard to various factors including performance and any recommendations made by the Global CEO, senior management, compensation consultants and other advisors. The PRS Committee also makes recommendations to the Board regarding the remuneration of Non-Executive Directors having regard to, among other things, any recommendations made by compensation consultants and other advisors.

The Nomination Committee in turn is responsible for remuneration matters regarding Executive Directors such as the Global CEO.

Remuneration for Executive Directors and senior executives may include annual base salary, performance-based remuneration, equity-based remuneration and other benefits. Remuneration for Non-Executive Directors may contain annual fees, performance-based remuneration, equity-based remuneration, expense reimbursement and other benefits.

Details of the current remuneration of Directors and other key management personnel are provided on pages 54 to 57 of this Annual Report.

Any equity-based remuneration awards are made pursuant to Keypath's 2021 Equity Incentive Plan.

Keypath's Remuneration Policy clearly states that no Director or senior management personnel who participates in an equity-based remuneration scheme may enter into any transactions designed to limit the economic risk of participating in the equity-based remuneration scheme.

The Board has also adopted a Securities Trading Policy to regulate how and when Directors and employees may trade in Keypath securities in accordance with the insider trading prohibitions of the Corporations Act.

Financial report

For the Years Ended June 30, 2022 and 2021

Independent auditor's report

To the members of Keypath Education International, Inc.

Our opinion

In our opinion the accompanying financial report gives a true and fair view of the financial position of Keypath Education International, Inc. (the Company) and its controlled entities (together the Group) as at 30 June 2022 and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 30 June 2022
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

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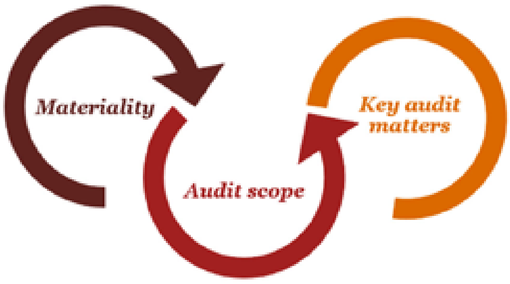

Materiality	Audit scope	Key audit matters
• For the purpose of our audit we used overall Group materiality of $1.18 million, which represents approximately 1% of the Group's revenue from continuing operations. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose Group revenue from continuing operations because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. • We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • The Group operates across a single operating segment, being the provision of online program management services. Its head office function is based in Schaumburg, United States of America.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: – Revenue Recognition • This is further described in the Key audit matters section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition *Refer to note 1 and note 2* The Group recognised revenue of $118m from the provision of online program management services. Revenue recognition is a key audit matter due to: • The significance of revenue to the Group's financial results • The extent of unbilled revenue, deferred revenue and contract assets recognised by the Group and the related revenue recognised during the year.	Our audit procedures included, amongst others: • Developing an understanding of the process undertaken by the Group to recognise revenue from the provision of online program management services. • Agreeing a sample of revenue transactions to relevant supporting documentation including census data, term sheets, invoices, and proof of payment. • Agreeing a sample of unbilled revenue transactions to relevant supporting documents including forecast enrolments, census data and underlying term sheets. • Recalculating deferred revenue at the end of the period for a sample of transactions based on the service period per the underlying invoice.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with accounting principles generally accepted in the United States of America, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the pwc

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers

Jon Roberts
Partner

Melbourne
29 August 2022

Consolidated balance sheet

As of June 30, 2022 and 2021

	Note	2022 US$'000	2021 US$'000
Assets			
Current Assets			
Cash		58,810	67,049
Restricted cash		369	402
Accounts receivable, net of allowance		16,441	19,384
Prepaid expenses and other current assets		2,516	2,539
Total Current Assets		**78,136**	**89,374**
Non-Current Assets			
Property and equipment, net	4	1,260	1,715
Goodwill		8,754	8,754
Intangible assets, net	5	6,678	5,813
Operating leases right-of-use assets	6	1,090	1,502
Contract acquisition cost	3	3,256	2,501
Deferred tax asset	10	1,507	2,535
Contract with customer, non-current portion		1,052	2,110
Other assets		282	136
Total Assets		**102,015**	**114,440**
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable		8,259	4,280
Accrued liabilities	7	12,874	11,297
Deferred revenue	3	2,542	1,779
Income tax payable	10	773	1,076
Operating lease liabilities	6	871	1,421
Deferred compensation liability	8	4,000	3,187
Total Current Liabilities		**29,319**	**23,040**
Non-Current Liabilities			
Long-term operating lease liabilities	6	440	604
Other liabilities		–	347
Total Liabilities		**29,759**	**23,991**
Shareholders' Equity			
Preferred shares (par value $0.01 per share, 500,000 shares authorized, zero issued and outstanding in 2022 and 2021)	13	–	–
Common stock (par value $0.01 per share, 500,000,000 shares authorized, 208,223,105 issued and outstanding in 2022 and 2021)	13	2,082	2,082
Additional paid-in capital	13	255,530	246,154
Accumulated deficit		(184,578)	(157,883)
Accumulated other comprehensive (loss) income		(778)	96
Total Shareholders' Equity		**72,256**	**90,449**
Total Liabilities and Equity		**102,015**	**114,440**

The accompanying notes on pages 74 to 89 are an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

For the years ended June 30, 2022 and 2021

	Note	2022 US$'000	2021 US$'000
Revenue	2	118,399	98,092
Operating Expenses			
Salaries and wages		73,531	93,585
Direct marketing		47,056	33,245
General and administrative		22,237	18,949
Total operating expenses		**142,824**	**145,779**
Operating Loss		**(24,425)**	**(47,687)**
Other Income (Expense)			
Interest expense	9	–	(2,346)
Loss on redemption of non-controlling interest	11	–	(27,667)
Other (expense) income, net		(1,182)	154
Loss before income taxes		**(25,607)**	**(77,546)**
Income taxes (expense) benefit	10	(1,088)	391
Net Loss		**(26,695)**	**(77,155)**
Non-controlling interest redemption increment	11	–	(1,579)
Net Loss attributable to Keypath Education International, Inc. shareholders		**(26,695)**	**(78,734)**

	Note	2022	2021
Loss Per Share:			
Basic and diluted loss per common share	12	$ (0.13)	$ (0.54)
Basic and diluted weighted average shares of common stock outstanding	13	208,223,105	146,791,203

	2022 US$'000	2021 US$'000
Other Comprehensive Loss:		
Net loss attributable to Keypath Education International, Inc. shareholders	(26,695)	(78,734)
Foreign currency translation adjustment	(874)	605
Total Other Comprehensive Loss attributable to Keypath Education International, Inc. shareholders	**(27,569)**	**(78,129)**

The accompanying notes on pages 74 to 89 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the years ended June 30, 2022 and 2021

	Preferred Units		Common Stock		Additional Paid-in Capital	Accumu-lated Deficit	Accumu-lated Other Compre-hensive Income (Loss)	Total Share holders' Equity (Deficit)
	Shares	US$'000	Shares	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as of July 1, 2020	**16,100**	**16,100**	**141,671,878**	**–**	**54,085**	**(79,149)**	**(509)**	**(9,473)**
Net loss	–	–	–	–	–	(78,734)	–	(78,734)
Currency translation adjustment	–	–	–	–	–	–	605	605
Conversion of preferred shares to Common (Note 13)	(16,100)	(16,100)	16,100	–	16,100	–	–	–
Common control transaction (Note 13)	–	–	–	1,417	(19,739)	–	–	(18,322)
Proceeds of initial public offering, net of issuance and transaction costs (Note 13)	–	–	57,172,708	572	153,860	–	–	154,432
Stock-based compensation (Note 14)	–	–	9,362,419	93	41,848	–	–	41,941
Balance as of June 30, 2021	**–**	**–**	**208,223,105**	**2,082**	**246,154**	**(157,883)**	**96**	**90,449**
Net loss	–	–	–	–	–	(26,695)	–	(26,695)
Currency translation adjustment	–	–	–	–	–	–	(874)	(874)
Stock-based compensation (Note 14)	–	–	–	–	9,376	–	–	9,376
Balance as of June 30, 2022	**–**	**–**	**208,223,105**	**2,082**	**255,530**	**(184,578)**	**(778)**	**72,256**

The accompanying notes on pages 74 to 89 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the years ended June 30, 2022 and 2021

	Note	2022 US$'000	2021 US$'000
Operating Activities			
Net loss		(26,695)	(77,155)
Adjustments to reconcile net loss to net cash from operating activities:			
Loss on redemption of non-controlling interest	11	–	27,667
Depreciation and amortization	3, 4, 5	4,905	4,152
Stock-based compensation expense	14	9,376	41,941
Deferred compensation liability	8	813	3,187
Deferred income taxes	10	813	(670)
Other, net		823	878
Changes in operating assets and liabilities:			
Accounts receivable		2,400	(11,940)
Prepaids and other		(608)	(4,771)
Accounts payable and accrued liabilities		5,908	4,634
Deferred revenue		811	573
Income taxes payable	10	(251)	280
Net cash from operating activities		**(1,705)**	**(11,224)**
Investing activities			
Additions of amortizable intangible assets		(4,315)	(3,108)
Purchases of property and equipment		(555)	(1,035)
Net cash from investing activities		**(4,870)**	**(4,143)**
Financing activities			
Repayments of long-term debt	9	–	(10,000)
Proceeds of initial public offering, net of issuance and transaction costs	13	–	154,432
Payments to redeemable non-controlling interests	11	–	(58,608)
Payments to non-participating security holders	13	–	(18,322)
Net cash from financing activities		**–**	**67,502**
Effect of exchange rate changes on cash and restricted cash		(1,697)	617
Net change in cash and restricted cash		(8,272)	52,752
Cash and restricted cash at beginning of year		67,451	14,699
Cash and restricted cash at end of year		**59,179**	**67,451**
Supplemental cash flows information			
Interest paid		–	1,382
Income taxes paid		533	–

The accompanying notes on pages 74 to 89 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

June 30, 2022 and 2021 (in thousands of US dollars)

NOTE 1

Principal business activity and significant accounting policies

—

Description of business

Keypath Education International, Inc.'s (the "Company") principal activity is online program management ("OPM") primarily serving the postgraduate education market of traditional universities. The Company enables universities in Australia, the United States, Canada, the United Kingdom, Malaysia and Singapore to deliver technology-enabled online degrees and programs driven by market-demand. Through end-to-end technology and data-driven service, the Company and its subsidiaries (the "Group") partner with universities to design, launch and grow online programs that deliver career-relevant skills to address global, social and economic challenges and prepare busy professionals for the future of work.

The suite of services the Company provides to its university partners includes program design and development, marketing, management, student recruitment, student support, clinical placement services and faculty recruitment. Additionally, the continued development and improvement of KeypathEDGE, our proprietary data platform, provides a data analytics platform to improve the experiences of universities and students alike. The Company enters into long-term contracts with universities and earns revenue through an agreed revenue share with the relevant university during the contracted term. Keypath has nearly 750 employees around the world and operates offices in Chicago, Melbourne, Sydney, Toronto and Kuala Lumpur.

Initial public offering

The Company was incorporated in Delaware on March 11, 2021. Pursuant to a corporate reorganization, the Company acquired Keypath International Ltd. ("Keypath International") immediately prior to, and in conjunction with, an initial public offering ("IPO") of CHESS Depositary Interests ("CDIs") over the Company's common stock. The Company was admitted to the Official List of the Australian Securities Exchange ("ASX") on June 1, 2021 (the "IPO date"). All common stock of the Company is represented by CDIs on a one-for-one ratio, which are tradable on ASX. Further information on the capital structure of the Company, including the financial effect of the IPO, is set out in Note 13.

Basis of presentation

The accompanying audited consolidated financial statements include the accounts of the Company and its subsidiaries after elimination of all intercompany accounts and transactions. The Company's consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles ("US GAAP"). All amounts are reported in US dollars, unless otherwise noted. Some financial data disclosed are non-US GAAP financial measures within the meaning of Regulation G of the US *Securities Exchange Act of 1934*.

Use of estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the Reporting Period. The Company bases its estimates and assumptions on historical experience and on various other factors that it believes to be reasonable under the circumstances. Estimates and assumptions are inherent in the analysis and the measurement of impairment of accounts receivable, the recoverability of long-lived assets, amortizable intangibles, goodwill, deferred tax assets and stock-based compensation expense. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be affected by changes in those estimates. The Company evaluates its estimates and assumptions on an ongoing basis.

The Company has not experienced a significant disruption to its business as a result of COVID-19, primarily as a result of all of the programs operated by the Group being online programs and university partners implementing other online meeting platforms to substantially reduce or replace the need for students to attend campus. Certain programs continue to experience sustained increased demand, while other disciplines are demonstrating a return to pre-COVID-19 levels of demand. However, while COVID-19 persists, there continues to be some uncertainty as to its future effects on the Company's business.

Seasonality

The Company's business is subject to seasonality as revenue is affected by when programs start as determined by university partners. In the United States and Canada, program starts are typically similar in all quarters except for the second (December) quarter. All jurisdictions experience negligible levels of program starts during November and December due to closure of universities for the holiday period. In Australia, program starts are higher in the first and third quarters.

Revenue from contract with customers

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The transaction price is determined based on the consideration to which the Company will be entitled in exchange for transferring services to the customer.

OPM services consist of market research, program development, academic services, marketing and recruitment, placement services, student services, faculty recruitment and course development to support online e-learning degree programs offered by universities. Revenue is comprised primarily of a share of tuition fees invoiced to students who enroll in the program courses with university partners. The Company's contracts with university partners typically have terms of seven to ten years. The Company determined that OPM services are a single performance obligation as the obligations under the contracts consist of tightly integrated technology and services that university partners need to attract, enroll, educate and support students, which are not distinct within the context of the contracts. The single performance obligation is delivered as the university partners receive and consume benefits, which occurs ratably over a series of academic terms. The amounts received from university partners over the term of the arrangement are variable in nature in that they are dependent upon the number of students that are enrolled in the program within each academic term. These amounts are allocated to and are recognized ratably over the related academic term, defined as the period beginning on the first day of classes through the last. Fees paid by customers, paid in advance, are deferred on the consolidated balance sheets and recognized as income as they are earned.

The Company does not disclose the value of unsatisfied performance obligations because the variable consideration is allocated entirely to a wholly unsatisfied promise to transfer a service that forms part of a single performance obligation.

Contract acquisition costs

Under ASC 606 and Subtopic 340-40, the "incremental costs of obtaining a contract with a customer" are to be capitalized as an asset if the Company expects to recover these costs. The Company has identified that sales commissions paid on the signing of a new partner and/or program have met this criterion as it relates directly to obtaining university partner degree program contracts and are not earned unless a contract is executed and the related programs launch. The capitalized commissions are amortized over the term of the contract life, which usually ranges from seven to ten years.

Concentration of credit risk

Financial Instruments: The Company's financial instruments consist primarily of cash, accounts receivable, accounts payable and accrued expenses. The carrying values of cash, accounts receivable, accounts payable and accrued expenses are considered to be representative of their respective fair values because of the relatively short-term maturity or variable pricing of these financial instruments.

Accounts Receivable: Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of accounts receivable. The Company performs ongoing credit evaluations of its customers' financial condition and, generally, requires no collateral from its customers. Concentration of credit risk with respect to trade receivables exists due to the size of the Company's dependence on larger partners. The Company maintains allowances for potential credit losses. Concentration of credit risk with respect to trade receivables exists due to the size of the Company's dependence on large partners.

As of June 30, 2022 and 2021, the Company's top five customers comprised over 44.9% and 46.5%, respectively, of total revenue as follows:

	2022	2021
Customer 1	12.5%	16.7%
Customer 2	9.3%	8.8%
Customer 3	8.8%	7.5%
Customer 4	7.9%	6.8%
Customer 5	6.4%	6.7%
Total	**44.9%**	**46.5%**

Foreign Currency Risk: The Company is exposed to foreign currency risk relating to transactions and assets denominated in a foreign currency. The Company does not currently use derivative instruments to manage its foreign currency risk.

Cash and restricted cash

Restricted cash is represented by a bank guarantee required on the Company's office lease in Australia.

Accounts receivable and allowance for doubtful accounts

Accounts receivable, net of allowance includes trade accounts receivable, which is compromised of billed and unbilled revenue. Accounts receivable is stated at amortized cost net of allowance for doubtful accounts. The Company's methodology to measure the allowance for doubtful accounts requires an estimation of loss rates based on historical loss experience adjusted for factors that are relevant to determining the expected collectability of accounts receivable. Some of these factors include current market conditions, delinquency trends, aging behavior of receivables and credit and liquidity quality indicators for industry groups, customer classes or individual customers. The Company's estimates are reviewed and revised periodically based on the ongoing evaluation of credit quality indicators. Historically, actual write-offs for uncollectible accounts have not significantly differed from prior estimates.

Notes to the consolidated financial statements

June 30, 2022 and 2021 (in thousands of US dollars)

NOTE 1

Principal business activity and significant accounting policies (continued)

—

The Company recognizes unbilled revenue when revenue recognition occurs in advance of billings. Unbilled revenue is recognized because billings to university clients do not occur until after the academic term has commenced and final enrollment information is available. The Company's unbilled revenue represents contract assets. Unbilled accounts receivable is recognized once the presentation period commences for amounts to be invoiced to students under instalment plans that are paid over the same presentation period.

Contract liability

The Company records a contract liability that represents the excess of amounts billed or received as compared to amounts recognized in revenue on the Company's consolidated statements of profit or loss and other comprehensive income as of the end of the Reporting Period, and such amounts are reflected as a current liability on the consolidated balance sheets. The Company generally receives payments from university clients early in each academic term. These payments are recorded as deferred revenue until the services are delivered or until the Company's obligations are otherwise met, at which time revenue is recognized.

Property and equipment

Property and equipment is stated at cost less accumulated depreciation. Expenditures for purchases and improvements are capitalized. Depreciation is computed using a straight-line method over the estimated useful lives of the assets as follows:

Furniture and fixtures	7 years
Computer hardware	3 years
Leasehold improvements	5–7 years

Amortizable intangible assets

Intangible assets with a definite life are amortized over their useful lives using a straight-line method.

Software: Expenditures for software purchases, website platforms and software developed for internal use are capitalized and have useful lives of three years.

Capitalized Course Development: Costs related to the development of online learning programs are capitalized and have useful lives of three years. These costs include instructional design, multimedia development and the uploading of course material. Applicable costs include direct third-party costs (such as specific contract labor, software and license purchases) as well as salaries and wages and other payroll-related costs of employees specifically involved in development of courses contracted with university partners.

Acquired intangible assets: Acquired intangible assets include customer relationships and trade names. These assets are capitalized on acquisition at cost and included in intangible assets. Intangible assets acquired in material business combinations are capitalized at their fair value as determined by an independent valuer and amortized over their estimated useful lives of 12 years.

Evaluation of long-lived assets

The Company evaluates the recoverability of the carrying value of long-lived assets (property and equipment and amortizable intangible assets) whenever events or circumstances indicate the carrying amount may not be recoverable and changes are reflected prospectively as the asset is amortized over the revised remaining useful life.

Goodwill

The Company reviews Goodwill for impairment annually as of April 1 of each year, or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

The Company tests for goodwill impairment at the reporting unit level, defined as the same as, or one level below, an operating segment. As per the Company's segment reporting, there is one reportable segment which is the OPM business. The goodwill analysis is based on this reportable segment.

When testing for goodwill impairment, the Company performs a qualitative assessment. Based on the results of this qualitative assessment, we determine if it is necessary to perform a quantitative goodwill impairment review. We review goodwill for impairment using a quantitative approach if we decide to bypass the qualitative assessment or determine that it is more likely than not that the fair value of a reporting unit is less than its carrying value based on a qualitative assessment. Upon completion of a quantitative assessment, we may be required to recognize an impairment based on the difference between the carrying value and the fair value of the reporting unit.

Fair value reflects the price a market participant would be willing to pay in a potential sale of the reporting unit and may be based on the income approach (discounted cash flow method) or the market approach (guideline public company method).

In conducting the qualitative assessment, the Company performs an analysis on the conditions below as it relates to the business to determine if goodwill is impaired:

- macroeconomic conditions such as a deterioration in general economic conditions, limitations on accessing capital, fluctuations in foreign exchange rates, or other developments in equity and credit markets
- industry and market considerations such as a deterioration in the environment in which an entity operates, an increased competitive environment, a decline in market-dependent multiples or metrics (consider in both absolute terms and relative to peers), a change in the market for an entity's products or services, or a regulatory or political development

- cost factors such as increases in labor, or other costs that have a negative effect on earnings and cash flows
- overall financial performance such as negative or declining cash flows or a decline in actual or planned revenue or earnings compared with actual and projected results of relevant prior periods, company valuation trend
- other relevant entity-specific events such as changes in management, key personnel, strategy, or customers; contemplation of bankruptcy; or litigation
- events affecting a reporting unit such as a change in the composition or carrying amount of its net assets, a more-likely-than-not expectation of selling or disposing of all, or a portion, of a reporting unit, the testing for recoverability of a significant asset group within a reporting unit, or recognition of a goodwill impairment loss in the financial statements of a subsidiary that is a component of a reporting unit

After performing the qualitative assessment as of June 30, 2022 and 2021, the Company determined that goodwill was not impaired.

Leases

The Company leases office premises in the US, Canada and Australia and has determined that these would classify as operating leases under ASC 842, Leases. The Company does not have any financing leases.

For the Company's operating leases, an assessment is performed to determine if an arrangement contains a lease at lease inception, which is generally when the Company takes possession of the asset. The Company records a lease liability and a corresponding right-of-use asset. Lease liabilities represent the Company's obligation to make lease payments arising from the lease and are calculated as the present value of minimum lease payments over the expected lease term, which includes options to extend or terminate the lease when it is reasonably certain those options will be exercised. The present value of the lease liability is determined using the Company's incremental borrowing rate based on relevant benchmark interest rates at the lease commencement, as the information necessary to determine the rate implicit in the lease is not readily available. Right-of-use assets represent the right to control the use of the leased asset during the lease and are initially recognized in an amount equal to the lease liability. In addition, prepaid rent, initial direct costs and adjustments for lease incentives are components of the right-of-use asset. The lease expense is recognized on a straight-line basis over the lease term.

The Company has elected, as an accounting policy for its leases of real estate, to account for lease and non-lease components in a contract as a single lease component. In addition, the recognition requirements are not applied to leases with a term of 12 months or less. Rather, the lease payments for short-term leases are recognized in the consolidated statements of profit or loss and other comprehensive income on a straight-line basis over the lease term.

Variable payments that depend on an index or a rate are initially measured using the index or rate at the lease commencement date. Such variable payments are included in the total lease payments when measuring the lease liability and right-of-use asset. The Company will only re-measure variable payments that depend on an index or a rate when the Company is re-measuring the lease liability due to any of the following occurring:

- the lease is modified and the modification is not accounted for as a separate contract
- a contingency, upon which some or all of the variable lease payments that will be paid over the remainder of the lease term are based, is resolved
- there is a change in lease term
- there is a change in the probability of exercising a purchase option
- there is a change in the amount probable of being owed under residual value guarantees.

Until the lease liability is re-measured due to one of the aforementioned events, additional payments for an increase in the index or rate will be recognized in the period in which they are incurred. Variable payments that do not depend on an index or a rate are excluded from the measurement of the lease liability and recognized in the consolidated statements of profit or loss and other comprehensive income in the period in which the obligation for those payments is incurred. The Company will re-measure its lease payments when the contingency underlying such variable payments is resolved such that some or all of the remaining payments become fixed.

Accrued liabilities

Liability is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Long service leave and annual leave (specific to Australia): The Company does not expect its long service leave or annual leave to settle wholly within 12 months for each reporting date but it is recognized as a current liability when the Company does not have an unconditional right to defer settlement. The liability for long service leave and annual leave is recognized and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Expected future payments are discounted using market yields at the end of the reporting period of government bonds.

Notes to the consolidated financial statements
June 30, 2022 and 2021 (in thousands of US dollars)

NOTE 1

Principal business activity and significant accounting policies (continued)

—

Income taxes
The Company is a holding company for subsidiaries that are corporations or limited liability companies.

The consolidated financial statements reflect the tax cost or benefit of the results of its operations, and as such, the Company presents its income taxes in accordance with income tax accounting guidance (ASC 740, Income Taxes). The income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenue.

The Company determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur. Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not that some portion or all of a deferred tax asset will not be realized.

Tax positions are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. The term “more likely than not” means a likelihood of more than 50%; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more likely than not recognition threshold considers the facts, circumstances and information available at the reporting date and is subject to management’s judgment.

The Company files income tax returns for itself and its subsidiaries in the US federal jurisdiction, various US States and foreign jurisdictions as required.

Fair value measurements
The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

» Level 1 inputs – unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date
» Level 2 inputs – other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability
» Level 3 inputs – unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. In these cases, the Company develops its own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available in the circumstances

The Company’s cash is classified as Level 1.

Stock-based compensation
2021 Equity Incentive Plan: The terms of stock option grants, including the exercise price per share and vesting periods, are determined by the Company’s Board of Directors and the Company’s People, Remuneration and Sustainability Committee. Stock options granted under the 2021 Equity Incentive Plan are granted at exercise prices of not less than the fair market value of the Company’s common stock on the date of grant. Stock options are subject to service-based vesting conditions and may vest at various times from the date of the grant. All options granted to date vest after a period of three years.

The Company accounts for stock-based compensation awards made to employees and Directors under ASC 718, Share-Based Payments, which requires measurement and recognition of compensation expense for all share-based payment awards based on the fair value. The Company values stock options using the Black-Scholes option pricing model, which requires the input of subjective assumptions, including the risk-free interest rate, expected life of the option, expected stock price volatility and dividend yield. Given the considerable judgment involved in these assumptions and complex modeling, we typically obtain assistance from third-party valuation specialists. See Note 14 for additional information.

The Company recognizes stock-based compensation expense on a straight-line basis over the awards’ requisite service period.

Legacy Plans: Prior to the IPO, a subsidiary entity had granted to certain employees limited liability company profits interests for federal income tax purposes, in the form of restricted units, as well as options to acquire restricted units ("unit options"). These awards were cancelled upon the IPO and replaced by:

- the issue of CDIs for restricted units that had vested as of the IPO date and the allotment of restricted CDIs for those restricted units that were not vested as of the IPO date
- the issue of CDI Rights for all vested and unvested unit options as of the IPO date. The CDI Rights convert to CDIs on a one-for-one basis

Information in relation to these legacy plans is provided in Note 14. Further, cash-based long-term performance awards held by certain employees were also cancelled upon the IPO and replaced by legacy long-term incentive plan Cash Awards ("Legacy LTIP Cash Awards") on the IPO date, resulting in the recognition of a deferred compensation liability. Information on this liability is provided in Note 8.

Combination of entities under common control and comparative information

As stated above, the Company became the legal parent of the Group pursuant to a corporate reorganization completed as of June 30, 2021. The Company has accounted for the capital reorganization at book value and on a retrospective basis, consistent with the guidance for combinations under common control provided under ASC 805, Business Combinations. On this basis, the consolidated financial statements for the Company will effectively reflect a continuation of the Keypath International consolidated financial statements accounted for using the continuity of interests method of accounting, where:

- the consolidated assets and liabilities of the Company at the IPO date reflected the carrying values of the consolidated assets and liabilities acquired from Keypath International (rather than their fair values), and the results of the Company reflect the results of operations in a manner consistent with Keypath International's historical financial reporting
- the accumulated losses and other reserves recognized in the consolidated financial statements of the Company will include the consolidated accumulated losses and other reserves acquired from Keypath International
- the amount recognized as issued capital in the consolidated financial statements of the Company reflects the book value of the CDIs issued by the Company to effect its acquisition of Keypath International

Foreign currency

The functional and reporting currency of the Company is United States dollars. In accordance with ASC 830, Foreign Currency Matters, assets and liabilities of non-US subsidiaries whose functional currency is the local currency are translated into US dollars at exchange rates prevailing at the consolidated balance sheet date. Functional currencies of non-US subsidiaries include Australian dollars, Canadian dollars, British Pound Sterling, Malaysian Ringgit and Singapore dollars. Revenue and expenses are translated at average exchange rates during the year. The net exchange differences resulting from these translations are reported in accumulated other comprehensive loss. Gains and losses resulting from foreign currency transactions are included in the consolidated statements of profit or loss and comprehensive income.

Recently adopted accounting pronouncements

The Company adopted FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* ("ASU 2019-12"). ASU 2019-12 attempts to simplify aspects of accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. This ASU was effective for public business entities for fiscal years beginning after December 15, 2020, including interim periods within that fiscal year. The adoption of ASU 2019-12 did not have a material impact on the Company's consolidated financial statements.

The Company adopted Financial Accounting Standards Board (FASB) issued ASU No. 2020-06, *Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* ("ASU 2020-06"). ASU 2020-06 simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts indexed to and potentially settled in an entity's own equity. This ASU was effective for fiscal years beginning after December 15, 2021. The adoption of ASU 2020-06 had no impact on the Company's consolidated financial statements as there were no financial instruments accounted for as liability or equity during the year ended June 30, 2022.

The Company adopted FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU 2020-04"). ASU 2020 provides temporary optional expedients and exceptions to the current guidance on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate and other interbank offered rates to alternative reference rates. This ASU was effective upon issuance and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. The adoption of ASU 2020-04 had no impact on the Company's consolidated financial statements as there were no contract modifications accounted for as hedges during the year ended June 30, 2022.

Recent accounting pronouncements not yet adopted

To date, there have been no recent accounting pronouncements not yet effective that have a material, or potentially material, impact to the consolidated financial statements.

Notes to the consolidated financial statements

June 30, 2022 and 2021 (in thousands of US dollars)

NOTE 2

Segment and geographic information

The Company has one reportable operating segment, being OPM. The Company's reportable segments are determined based on (i) financial information reviewed by the chief operating decision maker, being the CEO, (ii) internal management and related reporting structure, and (iii) the basis upon which the CEO makes resource allocation decisions. While the Company operates in different geographies, the OPM business offered by the Company in each geography is fundamentally the same. The CEO evaluates revenue by geography as an important measure of operating performance and growth. However, the costs of the Company are assessed by the CEO on a consolidated basis as many costs are centralized on cross-geographic boundaries, and accordingly any measure of profitability by geography is not considered meaningful. The primary measure of profitability used by the CEO is earnings before interest, taxes, depreciation and amortization ("EBITDA") on a consolidated basis and Adjusted EBITDA, which is EBITDA adjusted to exclude the effects of certain non-recurring items and stock-based compensation expense.

Our North America region includes the United States and Canada. Our Asia-Pacific ("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 last year and earned immaterial revenue for the year ended June 30, 2022. The Singaporean business commenced operations during the year ended June 30, 2022 but did not earn any revenue. The Rest of World includes the United Kingdom.

The following table presents a breakdown of consolidated revenue by geography for the years ended June 30, 2022 and 2021:

	2022 US$'000	2021 US$'000
Revenue		
US	53,628	41,828
Canada	4,468	3,703
North America	58,096	45,531
APAC	57,040	49,719
Rest of World	3,263	2,842
Total Revenue	**118,399**	**98,092**

Revenue for the year ended June 30, 2021 includes a $2,556 fee for transition services, which will be paid by a university partner through 2024.

The following table reconciles the Company's primary measures of profitability, EBITDA and Adjusted EBITDA, to Operating loss for the years ended June 30, 2022 and 2021:

	2022 US$'000	2021 US$'000
Operating loss	(24,425)	(47,687)
Other income and (expense), net	(1,182)	154
EBIT	(25,607)	(47,533)
Depreciation and amortization	4,905	4,152
EBITDA	**(20,702)**	**(43,381)**
Stock-based compensation expense	9,376	41,941
Legacy LTIP Cash Awards	813	3,187
IPO transaction costs expensed	–	4,915
Adjusted EBITDA	**(10,513)**	**6,662**

The calculation of EBITDA and Adjusted EBITDA should not be viewed as a substitute for calculations under US GAAP. EBITDA and Adjusted EBITDA calculated by the Company may not be comparable to the EBITDA and Adjusted EBITDA calculations of another company. Management believes the use of these measures aid in the understanding of the Company's operating performance.

NOTE 3

Contract assets and liabilities

Contract Acquisition Costs

Sales commissions capitalized for the years ended June 30, 2022 and 2021 were $1,386 and $815, respectively. Total amortization during the years ended June 30, 2022 and 2021 was $526 and $426, respectively.

Contract acquisition costs consisted of the following as of June 30, 2022 and 2021:

	2022 US$'000	2021 US$'000
Gross carrying amount	4,967	3,766
Accumulated amortization	(1,711)	(1,265)
Net value	**3,256**	**2,501**

Contract liabilities

Contract liabilities comprised of deferred revenue. The following table presents the change in the Company's deferred revenue for the years ended June 30, 2022 and 2021:

	2022 US$'000	2021 US$'000
Balance as of July 1	**1,779**	**1,168**
Additional amounts deferred	2,542	1,779
Revenue recognized	(1,779)	(1,168)
Balance as of June 30	**2,542**	**1,779**

Allowance for Doubtful Accounts

The following table presents the change in the Company's provision for doubtful accounts for the years ended June 30, 2022 and 2021:

	2022 US$'000	2021 US$'000
Balance as of July 1	**443**	**745**
Current period change	(49)	(269)
Write-offs	–	(33)
Balance as of June 30	**394**	**443**

NOTE 4

Property and equipment

Property and equipment consisted of the following as of June 30, 2022 and 2021:

	2022 US$'000	2021 US$'000
Computer equipment	2,218	1,810
Leasehold improvements	1,295	1,318
Furniture and fixtures	512	495
Work in progress	–	12
Total	4,025	3,635
Less: accumulated depreciation	(2,765)	(1,920)
Property and equipment, net	**1,260**	**1,715**

The changes in the carrying amount of property and equipment were as follows:

	Total US$'000
Balance as of July 1, 2021	**1,715**
Additions	555
Depreciation during the year	(962)
Changes due to foreign currency fluctuations	(48)
Balance as of June 30, 2022	**1,260**

Notes to the consolidated financial statements

June 30, 2022 and 2021 (in thousands of US dollars)

NOTE 5

Amortizable intangible assets

Finite-lived intangible assets consisted of the following as of June 30, 2022 and 2021:

2022	Gross Carrying Amount US$'000	Accumulated Amortization US$'000	Net Value US$'000
Capitalized course development	10,288	(6,629)	3,659
Software	4,043	(2,407)	1,636
Customer relationships	1,910	(1,061)	849
Trade names	205	(114)	91
Work in progress	443	–	443
	16,889	**(10,211)**	**6,678**

2021	Gross Carrying Amount US$'000	Accumulated Amortization US$'000	Net Value US$'000
Capitalized course development	8,229	(4,640)	3,589
Software	2,915	(1,807)	1,108
Customer relationships	1,910	(902)	1,008
Trade names	205	(97)	108
	13,259	**(7,446)**	**5,813**

The changes in the carrying amount of intangible assets were as follows:

	Total US$'000
Balance as of July 1, 2020	**5,609**
Additions	3,002
Amortization during the year	(2,955)
Changes due to foreign currency fluctuations	157
Balance as of June 30, 2021	**5,813**
Additions	4,315
Amortization during the year	(3,291)
Changes due to foreign currency fluctuations	(159)
Balance as of June 30, 2022	**6,678**

The estimated intangible assets amortization expense for each of the next five years ended June 30, is as follows:

	2022 US$'000
2023	3,091
2024	2,140
2025	1,007
2026	201
2027	179

NOTE 6

Leases

The Company holds operating leases for its office premises in the US, Canada and Australia. Non-cancellable operating leases for office space expire in fiscal years through 2024 and require the Company to pay its pro rata portion of operating costs (property taxes, maintenance and insurance). The leases for office space include options to extend the leases for a further five years for the Canadian office and for two seven-year terms for the US office. These extension options were not deemed to be reasonably certain of exercise as of lease commencement as the existing office spaces may or may not meet future capacity requirements. Therefore, the extension options are not included in the determination of their respective non-cancellable lease terms.

Total lease expense recorded for the years ended June 30, 2022 and 2021 was $1,606 and $1,392, respectively, and is recognized within general and administrative expenses in the consolidated statements of profit or loss and other comprehensive income. Included in the operating lease expense above are certain variable payments to common area maintenance and property taxes. Expenses for variable payments were $378 and $397, respectively, for the years ended June 30, 2022 and 2021.

Information regarding operating lease terms and discount rates as of June 30, 2022 and 2021 were as follows:

	2022	2021
Weighted average remaining lease term (years)	1.64	1.49
Weighted average discount rate	10%	10%

Maturities of lease liabilities as of June 30, 2022 were as follows:

	2021 US$'000
2023	955
2024	350
2025	122
Total lease payments	1,427
Less: implicit interest	116
Total lease liability (short-term and long-term)	**1,311**

Supplemental cash flow information related to operating leases were as follows for the years ended June 30, 2022 and 2021:

	2022 US$'000	2021 US$'000
Cash paid for amounts included in the measurement of lease liabilities	1,526	1,284
Right-of-use assets obtained in exchange for operating lease obligations, net of lease incentives	711	392

NOTE 7

Accruedliabilities

—

Accrued liabilities consisted of the following as of June 30, 2022 and 2021:

	2022 US$'000	2021 US$'000
Compensation	7,082	6,404
Direct marketing costs	5,008	3,325
Professional fees	640	1,114
Other	144	454
Total accrued liabilities	**12,874**	**11,297**

NOTE 8

Deferred compensation liability

—

On the IPO date, a legacy cash incentive award plan, the Keypath Education Holdings, LLC 2017 Incentive Plan, and all award agreements evidencing the grant of Performance Awards issued thereunder, was terminated and replaced by new individual cash awards, the LTIP Cash Awards. No expense had been previously recognized in relation to the Performance Awards as the conditions giving rise to any liability had not been met.

The Legacy LTIP Cash Awards grant the relevant employee the right to receive a cash payment if the Company achieves certain market capitalization criteria within two years following the IPO, provided that, subject to certain exceptions, the relevant employee remains in continuous employment with the Company on the payment date following the achievement of the applicable market capitalization criteria.

Holders of Legacy LTIP Cash Awards will receive the cash payment stipulated by the award if the following is achieved:

» On the one year anniversary of the date of completion of the IPO, Keypath's market capitalization (calculated by determining the number of CDIs on issue at the close of trading on the trading day prior to that date and multiplying that number by the volume weighted average price of Keypath CDIs over the 10 trading days up to and including that date) equals or exceeds $395 million.

» If on the one year anniversary of the date of completion of the IPO the market capitalization of the Company is less than $395 million, at the end of any subsequent three-month period in the following 12 months (i.e. representing potentially four subsequent retesting dates) the market capitalization of Keypath (as calculated in accordance with the above) equals or exceeds $395 million, provided that the holder of the Legacy LTIP Cash Award remains in continuous employment with Keypath until the date a test criteria described above is achieved.

Legacy LTIP Cash Awards expense was $813 and $3,187 for the years ended June 30, 2022 and 2021, respectively. As of June 30, 2022, the condition above has not been met and a maximum liability of $4,000 has been classified as a current liability on the basis that the conditions above will be remeasured over the following 12 months.

NOTE 9

Long-term debt

—

Long-term debt was $nil as of June 30, 2022 and 2021. At the IPO date, the Company repaid the $10,000 loan balance under the Venture Loan and Security Agreement with Horizon Technology Finance Corporation (Horizon).

For the year ended June 30, 2021, the Company recorded:

» amortization of $103 in relation to the transaction costs which has been recorded within interest expense in the consolidated statement of profit or loss

» a $862 non-cash write-off of unamortized balance of capitalized borrowing costs and the unwinding of the present value discount on the loan

» $405 in early termination fees, which have been included in interest expense in the consolidated statement of profit or loss

In connection with the Venture Loan and Security Agreement, the lender was issued warrants to purchase Series B preferred units in a subsidiary entity. The warrants were cash settled on the IPO date for an amount of $1,597. Further information is provided in Note 11.

Notes to the consolidated financial statements

June 30, 2022 and 2021 (in thousands of US dollars)

NOTE 10

Income taxes

The US and foreign components of loss before income taxes for the years ended June 30, 2022 and 2021 are as follows:

	2022 US$'000	2021 US$'000
United States	(26,586)	(80,673)
Foreign	979	3,127
Total	**(25,607)**	**(77,546)**

The Company files income tax returns in the US federal jurisdiction, various state jurisdictions and foreign jurisdictions. Income tax expense (benefit) for the years ended June 30, 2022 and 2021 includes these components:

	2022 US$'000	2021 US$'000
Current		
United States – federal	250	–
United State – states and local	25	–
Foreign	–	279
Total current income tax expense	275	279
Deferred		
United States – federal	–	–
United State – states and local	–	–
Foreign	813	(670)
Total deferred income tax expense (benefit)	813	(670)
Total income tax expense (benefit)	**1,088**	**(391)**

A reconciliation of the Company's income tax benefit at the statutory rate to the reported income tax expense (benefit) for the years ended June 30, 2022 and 2021 is as follows:

	2022 US$'000	2021 US$'000
Tax at statutory rate (21%)	(5,377)	(16,285)
Withholding tax	250	279
Change in partnership investment	–	1,606
Provision to return	11,041	(109)
Change in valuation allowance	(4,991)	10,485
State income taxes	(513)	(2,777)
Earnings of foreign subsidiaries	629	1,196
Stock-based compensation	94	5,118
Non-deductible expenses and other	(45)	96
	1,088	**(391)**

The components of current and deferred income taxes on the consolidated balance sheets as of June 30, 2022 and 2021 are as follows:

	2022 US$'000	2021 US$'000
Income taxes payable	(773)	(1,076)
Deferred income tax asset	1,507	2,535

The tax effects of temporary differences related to deferred taxes shown on the consolidated balance sheets as of June 30, 2022 and 2021 are as follows:

	2022 US$'000	2021 US$'000
Deferred tax assets:		
Allowance for doubtful accounts	98	111
Accrued expenses and other	983	837
Stock-based compensation	6,302	4,380
Accrued compensation and related benefits	1,635	1,486
Depreciation and amortization	58	12,649
Net operating losses	21,910	17,263
Other	1,532	592
Valuation allowance	(26,358)	(31,360)
Total deferred tax assets	**6,160**	**5,958**
Deferred tax liabilities:		
Prepaid expenses and security deposits	84	564
Depreciation and amortization	3,703	2,154
Accrued business commissions	866	678
Other	–	27
Total deferred tax liabilities	**4,653**	**3,423**
Net deferred tax asset	**1,507**	**2,535**

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	2022 US$'000	2021 US$'000
Balance as of July 1	**467**	**255**
Additions related to current year provisions	–	212
Balance as of June 30	**467**	**467**

The Company had $467 of unrecognized tax benefits, including interest and penalties as of June 30, 2022. Substantially these amounts, if recognized, would impact the Company's tax provision and effective tax rate. It is the Company's policy to recognize interest and penalties related to income tax matters in income tax expense.

NOTE 10

Income taxes (continued)

As of each reporting date, management considers new evidence, both positive and negative, that could affect the future realization of the Company's deferred tax assets. The Company had a history of losses. As a result, it was uncertain that it would generate sufficient taxable income to realize the deferred tax assets, and hence had established valuation allowances. The valuation allowance for certain foreign subsidiaries were reversed when there was positive evidence of earnings that would continue and strengthen. A full valuation allowance for the net deferred tax asset in the US remains as of June 30, 2022.

As of June 30, 2022, the Company has total net operating loss carry-forwards for income tax purposes of $91,436 comprised of $82,991 of federal net operating losses, and $8,445 of foreign net operating losses. Federal net operating losses of $29,484 expire at various intervals between the years 2036 and 2038, while $53,507 have an unlimited life. Foreign net operating losses of $3,515 expire at various intervals between the years 2027 and 2042, while $4,930 have an unlimited life. The Company also has loss carry-forwards in certain US states, which will expire over various periods based on individual state tax laws.

The Company's foreign subsidiaries are subject to income tax in foreign jurisdictions. Tax years 2019 through 2022 remain open to examination.

NOTE 11

Redeemable non-controlling interests

All non-controlling interests were redeemed from the proceeds received from the IPO at or immediately after completion of the IPO.

The redemption of the non-controlling interests resulted from the following transactions for the year ended June 30, 2021:

» The preferred units in Keypath Education Holdings, LLC ("KEH") were redeemed for a cash payment of $19,136, with no gain or loss on redemption. The consolidated statement of profit or loss included non-controlling redemption increment on these units of $995 for the period from July 1, 2020 to the date of redemption.
» The preferred units in Keypath Education Intermediate Holdings, LLC ("KEIH") were redeemed for a cash payment of $37,875. The consolidated statement of profit or loss included non-controlling redemption increment on these units of $584 for the period from July 1, 2020 to the date of redemption, and a non-cash loss on redemption of $26,587, being the difference between the redemption amount and the carrying amount of these units at the date of redemption.
» The warrants held by Horizon were redeemed for a cash payment of $1,597, giving rise to a non-cash loss on redemption included in the consolidated statement of profit or loss of $1,080.

NOTE 12

Loss per share

Basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share is the same as basic loss per share for the years ended June 30, 2022 and 2021 because the effects of potentially dilutive items were anti-dilutive, given the Company's net loss. Accordingly, 6,158,314 options for CDIs and 9,135,621 CDI Rights have been excluded from the calculation of weighted average number of shares for the year ended June 30, 2022. 5,996,151 options for CDIs and 9,235,539 CDI Rights have been excluded from the calculation of weighted average number of shares for the year ended June 30, 2021.

The following table summarizes the pro forma impact of the Company's IPO on loss per share for the years ended June 30, 2022 and 2021:

	2022 US$'000	2021 US$'000
Numerator		
Net loss attributable to Keypath Education International, Inc. shareholders	(26,695)	(78,734)
Numerator for basic loss per share attributable to Keypath Education International, Inc. common shareholders	**(26,695)**	**(78,734)**

	2022 Number	2021 Number
Denominator		
Denominator for basic loss per share – weighted average common shares	208,223,105	146,791,203
Effect of dilutive securities:		
Options for CDIs	–	–
CDI Rights	–	–
Denominator for diluted loss per share – weighted average common shares	**208,223,105**	**146,791,203**

	2022 US$	2021 US$
Loss per share – Basic	**(0.13)**	**(0.54)**
Loss per share – Diluted	**(0.13)**	**(0.54)**

June 30, 2022 and 2021 (in thousands of US dollars)

NOTE 13
Equity

A list of the directly and indirectly wholly-owned subsidiaries of the Company as of June 30, 2022 is as follows:

Name	Country of Incorporation	% of the Company's Equity Interest in the Subsidiary
Keypath Education Holdings, LLC	United States[1]	100%
Keypath Education, LLC	United States[1]	100%
Keypath Education Canada, Inc.	Canada	100%
Keypath Education UK, Ltd.	United Kingdom	100%
Keypath Education Australia Pty Ltd	Australia	100%
Keypath Education Malaysia Sdn. Bhd.	Malaysia	100%
Keypath Education Singapore Pte. Ltd.	Singapore	100%

1. Formed in the State of Delaware.

Pre-IPO transactions

Prior to the incorporation of the Company, the business of Keypath was conducted by KEH, a direct subsidiary of KEIH and an indirect subsidiary of Keypath International. The existing investors indirectly controlled Keypath International through their interests in AVI Mezz. AVI Mezz held all of the shares in Keypath International.

The Company was incorporated on March 11, 2021 in Delaware. Pursuant to a corporate reorganization, the Company acquired Keypath International immediately prior to, and in conjunction with, the IPO and became the legal parent of Keypath International and its controlled entities, which together comprise the consolidated group.

On July 1, 2021 as a part of an internal restructure, two of Keypath's wholly-owned subsidiaries KEIH and Keypath International merged with and into another Keypath wholly-owned subsidiary, KEH. The surviving entity, KEH, assumed all of KEIH's and Keypath International's assets, liabilities, rights and obligations. Given all entities were and (where applicable) remain, wholly-owned subsidiaries of the Company during the previous and current reporting periods, there is no material change to the Company's profit or loss arising from the mergers.

In connection with the IPO, the Company undertook the following restructuring transactions:

» Conversion of preferred shares to ordinary shares – the existing preferred shares in Keypath International were converted into ordinary shares of Keypath International. This resulted in a decrease of preferred shares by $16,100 with a corresponding increase in ordinary shares.

» Acquisition of Keypath International by the Company – Keypath International's sole shareholder ("AVI Mezz") and a unitholder in that shareholder ("AVI Holdings") distributed ordinary shares in Keypath International to the existing investors in those entities that "exited" their interests in the Keypath business (non-participating security holders). Those non-participating security holders transferred their ordinary shares in Keypath International to the Company in exchange for an $18,322 cash payment, and AVI Mezz transferred its remaining ordinary shares in Keypath International in exchange for restricted stock in the Company to be held as CDIs, which resulted in the Company becoming the owner of the existing Group members. The restricted CDIs held by AVI Mezz will be released from voluntary escrow upon the announcement of the Company's results for the year ending June 30, 2022.

  This transaction was accounted for as a combination under common control and resulted in the carrying amount of ordinary shares of Keypath International of $70,185 being replaced by $1,417, representing 141,687,978 CDIs issued by the Company to AVI Mezz.

» Termination of the existing restricted units ("RU")/options plan and the existing performance awards plan – in conjunction with the IPO, the existing RU/options plan operated by KEH (Keypath Education Holdings LLC 2017 Equity Incentive Plan) and the existing performance awards plan operated by KEH (Keypath Education Holdings, LLC 2017 Incentive Plan) were terminated and replaced by obligations (certain of which were conditional and certain of which were unconditional) on the Company to provide CDIs in relation to the restricted units, CDI Rights in relation to the options and the Legacy LTIP Cash Awards in relation to the performance awards. See Note 8 in relation to the Legacy LTIP Cash Awards and Note 14 in relation to the CDI Rights.

As of the IPO date, 7,000 restricted units in KEH had been granted, all to the CEO and Executive Director, Steve Fireng. The termination of the restricted units resulted in 9,362,419 CDIs being held by Steve Fireng, of which 1,129,846 CDIs are subject to forfeiture in accordance with the vesting schedule that originally applied to the restricted units that runs periodically through October 2024. The CDIs issued to Steve Fireng on the IPO date in exchange for the restricted units represented 6,000 vested restricted units in KEH as of that date, and the CDIs subject to forfeiture represent 1,000 unvested units in KEH as of that date.

The CDIs held by Steve Fireng are subject to voluntary escrow and will be released from escrow in the following tranches: 50% released upon the announcement of the Company's results for the year ending June 30, 2022, 25% released upon the announcement of the Company's results for the year ending June 30, 2023 and 25% released upon the announcement of the Company's results for the year ending June 30, 2024.

Initial Public Offering

The Company was admitted to the Official List of ASX on June 1, 2021. The initial public offering of CDIs over shares of common stock (one CDI equivalent to one common share) were offered at an issue price of A$3.71 (approximately $2.87) per CDI to raise $163,961. Total cost of the IPO incurred during the year ended June 30, 2021 totaled $9,529, resulting in overall net proceeds of $154,432, of which $58,608 was used to pay-out non-controlling interests, $18,322 to pay the non-participating security holders and $10,000 to repay the outstanding loan.

Information in relation to the payments made to redeem the non-controlling interests is set out in Note 11. Payments made to non-participating security holders represent payments made to individual shareholders in Keypath International that exchanged their equity holdings for notes payable in cash by the Company on the IPO date.

Common and Preferred Stock

The total number of shares of stock of all classes of capital stock that the Company is authorized to issue is 500,500,000, of which 500,000,000 are shares of common stock having a par value of $0.01 per share and 500,000 are preferred stock having a par value of $0.01 per share. As of June 30, 2022 and 2021, the Company had issued 208,223,105 shares of common stock on 1:1 ratio to CDIs as follows:

	Number of Shares	Par Value US$'000
CDIs	57,172,708	572
CDIs held in escrow	151,050,397	1,510
	208,223,105	**2,082**

As of June 30, 2022 and 2021, no preferred stock was issued.

NOTE 14

Stock-based compensation

The Company has the following stock-based compensation plans:

- The 2021 Equity Incentive Plan, which commenced on the IPO date
- CDI Rights, which replace, from the IPO date, options issued under the Keypath Education Holdings, LLC 2017 Incentive Plan

Information in relation to the restricted units issued under the Keypath Education Holdings, LLC 2017 Incentive Plan is set out in Note 13.

2021 Equity Incentive Plan

Type of awards: Effective from the IPO date, the Company implemented the 2021 Equity Incentive Plan which provides a framework under which individual grants of equity or equity-based incentive awards ("Awards") may be made to Directors and employees of the Company. The following types of Awards may be granted:

- options to subscribe for CDIs ("Options")
- rights to be paid a cash amount determined by the price of CDIs at a specified time or the movement in price over a period of time ("Stock Appreciation Rights")
- ability to subscribe for CDIs that are subject to restrictions, including on transfer, until specified conditions are satisfied ("Restricted Stock")
- rights to receive CDIs or cash that are subject to restrictions, including on transfer, until specified conditions are satisfied ("Restricted Stock Units")
- rights to receive CDIs, which may be based on specified conditions ("Stock Bonus Awards")

Exercise price or strike price: The exercise price or purchase price or strike price will not be less than 100% of the fair market value of CDIs on the grant date and will be determined by the Company's Board of Directors.

Vesting and exercise: Options will become exercisable when the applicable vesting conditions have been satisfied.

Stock Appreciation Rights granted in tandem with an Option follow the same vesting and exercise provisions as the corresponding Option. Stock Appreciation Rights have a term of no more than 10 years from the date of grant and shall vest as set forth in the applicable Award agreement. Stock Appreciation Rights will be settled either in CDIs and/or by a cash payment equal to the fair market value of the number of CDIs subject to the Stock Appreciation Rights multiplied by the fair market value of a CDIs over the strike price when exercised (subject to any federal, state, local and non-US income and employment taxes required to be withheld).

Restricted Stock Units will cease to be restricted when the applicable vesting conditions have been satisfied in accordance with the Award agreement.

Stock Bonus Awards are a grant of unrestricted securities, subject to any conditions set forth in the Award agreement.

Lapsing and forfeiture: Options and Stock Appreciation Rights will expire on the date specified in the Award Agreement, or any earlier date specified in the Award agreement (for example, upon failure to satisfy a vesting condition or in certain circumstances where a participant's employment is terminated).

Restricted Stock and Restricted Stock Units will become subject to forfeiture or compulsory transfer on the occurrence of a date or circumstance specified in the Award agreement (for example, upon failure to satisfy a vesting condition).

Options granted: The only Awards granted under the 2021 Equity Incentive Plan as of June 30, 2022 are Options. The following tables summarizes the options issued, outstanding and exercisable as of June 30, 2022:

	Number of Options	Weighted Average Exercise Price US$	Grant Date Fair Value US$'000
Outstanding as of July 1, 2021	5,996,151	2.69	6,836
Granted	715,259	1.71	553
Forfeited	(553,096)	2.69	(631)
Outstanding as of June 30, 2022	**6,158,314**	**2.58**	**6,758**
Exercisable as of June 30, 2022	**–**	**–**	**–**

During the years ended June 30, 2022 and 2021, no options had vested and accordingly, no options were exercised into shares of common stock.

At June 30, 2022, there was $4,427 of total unrecognized compensation expense related to stock options, which is expected to be recognized over a weighted average period of 2.0 years.

June 30, 2022 and 2021 (in thousands of US dollars)

NOTE 14
Stock-based compensation (continued)

—

The assumptions used in estimating the fair value of Options granted during the year under Black-Scholes method include:

Number of Options	Expected Volatility	Expected Option Life Years	Dividend Yield %	Risk Free Interest Rate %
452,759	45%	6.0	0%	0.3%
262,500	65%	4.5	0%	3.1%

CDIs
CDIs issued to Steve Fireng are described in the Note 13.

CDI Rights
Prior to the IPO, certain employees (other than Steve Fireng) and former Directors had been granted 6,850 unit options under the Keypath Education Holdings, LLC 2017 Equity Incentive Plan. Prior to the IPO date, no unit options had been exercised and no stock-based compensation expense was recognized. These unit options were cancelled on the IPO date in consideration for the granting by the Company of 9,235,539 CDI Rights.

On the IPO date, 6,381,565 CDI Rights (representing 4,654 unit options) were vested, with the remainder vesting according to the original monthly vesting schedule that applied to the options. CDI Rights will automatically convert to CDIs on specific conversion dates as follows:

» CDI Rights vested as of the IPO date will automatically convert into CDIs upon the announcement of the Company's results for the year ending June 30, 2022. As these CDI Rights represent "vested" interests of a holder, CDIs in respect of these CDI Rights will be issued to that holder irrespective of whether the holder remains employed by the Company or a Group member on the results announcement date.

» CDI Rights unvested on the IPO date will follow the original monthly vesting schedule of the unvested unit options that they replaced. For the CDI Rights that vest after the IPO date and before the date of the announcement of the Company's results for the year ending June 30, 2022, these CDI Rights will automatically convert into CDIs on the results announcement date. For the CDI Rights that are unvested following the date of the announcement of the Company's results for the year ending June 30, 2022, those CDI Rights will vest on a monthly basis and automatically convert into CDIs on a monthly basis until the second anniversary of the IPO date, at which time any remaining CDI Rights will automatically convert into CDIs. The vesting and delivery of CDI Rights unvested at the IPO is subject to the relevant holder remaining an employee until the relevant vesting date (for example, if a holder of CDI Rights ceases employment, all of their CDI Rights which have not vested and converted into CDIs will lapse).

The table below sets out the expected timing of conversion of CDI Rights to CDIs (one-for-one) assuming that all relevant employees remain entitled to their CDI Rights.

	Number of CDIs
Vested on the IPO date	6,381,563
Vested at June 30, 2021	153,410
Vested at June 30, 2022	1,524,372
Forfeited	99,921
Expected to vest at June 30, 2023	1,076,273
	9,235,539

9,235,539 CDIs Rights granted in 2021 were assigned a weighted average fair value of $2.61 per share, for a total value of approximately $24.1 million.

In estimating the fair value of CDIs and CDI Rights, an illiquidity discount of 7% to 10% was applied.

Stock-based compensation expense
The following table presents stock-based compensation expense recognized in the consolidated statement of profit or loss for the years ended June 30, 2022 and 2021.

	2022 US$'000	2021 US$'000
CDIs	2,019	23,926
CDI Rights	5,221	17,819
2021 Equity Incentive Plan	2,136	196
Stock-based compensation expense	**9,376**	**41,941**

NOTE 15
Employee retirement plans

—

The Company has a 401(k) defined contribution retirement savings plan offered to all US employees, a similar registered retirement savings plan match plan offered to all Canadian employees and a UK pension plan offered to all UK employees. Employees can elect to contribute up to the maximum allowable contribution, and the Company will match the employee's contribution equal to 100% of salary deferrals that do not exceed 3% of compensation plus 50% of salary deferrals between 3% and 5% of compensation for both the US and Canadian plans.

The UK plan match is a set employee contribution of 5% matched 80% by the employer. During the years ended June 30, 2022 and 2021, the Company contributions were $1,074 and $787, respectively, for the US plan, $141 and $106, respectively, for the Canadian plan, and $39 and $42, respectively, for the UK plan.

In Australia, pension (superannuation) contributions are made in accordance with Australian statutory mandated rates, which were 10% of an employee's gross salary or wage for the years ended June 30, 2022 and 2021, increasing to 10.5% from July 1, 2022, subject to set limits over certain salary thresholds. Employees may contribute to any plan operated by registered superannuation funds of their choice. During the years ended June 30, 2022 and 2021, the Company's superannuation contributions expense for Australian employees were $1,617 and $1,277, respectively.

NOTE 16

Related party transactions

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Affiliates

On July 1, 2017, KEH entered into an advisory services agreement with Sterling Fund Management, LLC (an entity associated with Sterling Capital Partners IV, the general partner of the Sterling Funds, who through AVI Mezz represents the majority shareholder of the Company) for the provision of certain management, consulting and financial services to KEH. Payment of fees under that agreement by KEH has been deferred since July 1, 2017. This agreement was terminated on the IPO date whereupon the Company and Sterling Fund Management, LLC mutually agreed that the Company would pay $3,250 to Sterling Fund Management, LLC in respect of services provided by Sterling Fund Management, LLC to the Company and its affiliates.

The Company through a combination under common control acquired Keypath International from AVI Mezz. Further information on this transaction is provided in Note 13.

Immediately prior to the IPO, certain individual unitholders in AVI Mezz and other entities affiliated with Sterling Funds (the non-participating security holders) exchanged their equity interests in these entities for shares in Keypath International. These shares were then exchanged for cash consideration payable by the Company upon IPO, resulting in Keypath International becoming wholly-owned by the Company. On or about the IPO date, the non-participating security holders were paid a total of $18,322, which included a payment to Steve Fireng of $1,963.

The Company entered into a Relationship Deed on May 11, 2021 with Sterling Capital Partners IV as general partner of the Sterling Funds. This document governs the parties' relationship while the Sterling Funds retain at least 5% of issued shares in the Company. Sterling Capital Partners IV, the Sterling Funds and Sterling Fund Management, LLC have also entered into confidentiality arrangements with the Company which govern access to Keypath's information, including information provided pursuant to the above Relationship Deed.

There were no transactions that have been entered into with affiliates for the year ended June 30, 2022.

Directors

M Avi Epstein and R. Christopher Hoehn-Saric are Non-Executive Directors of the Company and have certain ownership interests and employment arrangements with the Sterling Funds and their affiliates. No payments, remuneration or other transactions have been made or entered into by the Company directly with these Directors.

Ms. Diana Eilert, Ms. Melanie Laing, Mr. Robert Bazzani and Ms. Susan Wolford are independent Non-Executive Directors of the Company and receive remuneration as Directors on standard commercial terms, either directly or through companies associated with them. Each of these Directors has also been granted Options under the 2021 Equity Incentive Plan (128,070 Options to Ms. Eilert, and 83,246 Options to each of Ms. Laing, Mr. Bazzani and Ms. Wolford, either directly or through companies associated with them).

Detailed remuneration disclosures are provided in the Remuneration Report in the Directors' Report set forth in the Annual Report.

Mr. Steve Fireng is the CEO and Executive Director of the Company. He received CDIs (which are subject to escrow arrangements described herein) in exchange for his legacy restricted units as set out in Note 13, was granted Options under the 2021 Equity Incentive Plan as set out in Note 14, granted Legacy LTIP Cash Awards (with a maximum payment of $2,500 as set out in Note 8) in exchange for the cancellation of his legacy performance awards, and, as a non-participating security holder, received cash from the payments made as noted above. Detailed disclosures on his remuneration are provided in the Remuneration Report in the Directors' Report.

NOTE 17

Commitments and contingencies

—

The Company is not aware of any pending or threatened legal proceedings that individually or in the aggregate would have a material adverse effect on the Company's business, operating results or financial conditions. The Company may in the future be party to litigation arising in the ordinary course of business. Such claims, even if not meritorious, could result in the expenditure of significant financial and managerial resources.

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provides for the potential of indemnification obligations. The Company's exposure under these agreements is unknown because it involves future claims that may be made against the Company but have not yet been made. To date, the Company has not paid any claims or been required to defend any actions related to its indemnification obligations; however, the Company may record charges in the future as a result of these indemnification obligations. In addition, the Company has indemnification agreements with its Directors and certain executive officers that require it, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service with the Company. The terms of such obligations may vary.

NOTE 18

Subsequent events

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The Company has evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through August 29, 2022, the date the consolidated financial statements were available to be issued.

Auditor remuneration

During the period the following fees were paid or payable to the auditor PricewaterhouseCoopers and its network firms for audit and non-audit services provided during the fiscal years ended June 30, 2022 and 2021:

	2022 US$'000	2021 US$'000
Audit fees[1]	338	640
Tax fees[2]	374	1,013
All other fees[3]	–	798
Total	**712**	**2,451**

1. For the year ended June 30, 2021: includes fees for the audits of annual consolidated financial statements for the years ended June 30, 2021, 2020, 2019 and 2018 and half-year review for December 31, 2020 in relation to the Company's prospectus and related procedures.
2. Includes fees related to tax compliance, tax advice and tax planning services.
3. For the year ended June 30, 2021: includes IPO related services and fees related to Service Organization Control ("SOC") compliance report services.

Directors' declaration

In accordance with policies adopted by the Audit and Risk Management Committee, all audit and non-audit related services to be performed for the Company by the independent registered public accounting firm must be approved in advance by the Audit and Risk Management Committee ("ARMC").

All of the PricewaterhouseCoopers services for the Company during FY22 were pre-approved by the ARMC.

1. In the opinion of the Directors:

   (a) the consolidated financial statements and notes to the financial statements of Keypath are in accordance with US GAAP, including:

      (i) giving a true and fair view of Keypath's and the Group's financial position as of June 30, 2022 and of their performance for the year ended on that date; and

      (ii) complying with US GAAP; and

   (b) there are reasonable grounds to believe that Keypath will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations made by the CEO and CFO in respect of the financial statements for the financial period ended June 30, 2022.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Directors

Diana Eilert
Chair
August 29, 2022

Steve Fireng
Global CEO
August 29, 2022

Company information

Company Secretary

Keypath's General Counsel and Company Secretary is Eric Israel. Eric joined Keypath in January 2016 and has over 20 years of legal experience in the K–12 and higher education sectors. Prior to joining Keypath, Eric served as General Counsel and Secretary for the Meritas Family of Schools, Senior Vice President and Business Unit General Counsel for Career Education Corporation, and as a corporate attorney at the law firm Katten Muchin Rosenman LLP.

Eric holds a Juris Doctor (cum laude) from Loyola University Chicago School of Law and a Bachelor of Arts (Political Science) from the University of Michigan.

Offices

Keypath's registered Australian office
and the telephone number of that office is:

Level 7, 567 Collins Street
Melbourne VIC 3000
Australia
P: +61 3 9020 6190

Keypath's principal place of business
and the telephone number of that office is:

1933 N. Meacham Road, Suite 400
Schaumburg, IL 60173
United States
P: +1 224 419 7988

Keypath's register of securities, register of depositary receipts and other facilities for registration of transfers is kept at:

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067
Australia
P: +61 3 9415 4062

Stock exchanges

Keypath has been admitted to the Official List of ASX. It is not listed on any other stock exchange.

Use of cash and assets

From July 1, 2021 to June 30, 2022, Keypath has used its cash and assets readily convertible to cash that it had at 30 June 2022, in a way consistent with its business objectives as disclosed in its IPO prospectus.

Relevant considerations regarding United States and Delaware law

Keypath is incorporated under the laws of the State of Delaware. Consequently, Keypath is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act dealing with the acquisition of shares, including substantial holdings and takeovers.

Provisions of the Delaware General Corporation Law, the Company's Certificate of Incorporation and the Company's Bylaws could make it more difficult to acquire the Company by means of a tender offer (takeover), a proxy contest or otherwise, or to remove incumbent officers and Directors of the Company. These provisions could discourage certain types of coercive takeover practices and takeover bids that the Board may consider inadequate and to encourage persons seeking to acquire control of the Company to first negotiate with the Board. The Company believes that the benefits of increased protection of its ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure the Company outweigh the disadvantages of discouraging takeover or acquisition proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

The Company's bylaws do not contain any limitations on the acquisition of securities, except that clause 9 of Article XI, Section 11.1. of the bylaws provides as follows:

> "The Corporation may refuse to acknowledge or register any transfer of shares of the Corporation's capital stock (including shares in the form of CDIs) held or acquired by a stockholder (including shares of the Corporation's capital stock that may be acquired upon exercise of a stock option, warrant or other right) or shares of the Corporation's capital stock which attach to or arise from such shares which are not made:
> (a) in accordance with the provisions of Regulation S of the *Securities Act of 1933* (US), as amended to date and the rules and regulations promulgated thereunder (the US Securities Act) (Rule 901 through Rule 905 and preliminary notes);
> (b) pursuant to registration under the US Securities Act; or
> (c) pursuant to an available exemption from registration."

Under the Delaware law, shares generally are freely transferable subject to restrictions imposed by US federal or state securities laws, by the Company's certificate of incorporation or by-laws, or by an agreement signed with the holders of the shares at issue. The Company's amended and restated certificate of incorporation and amended and restated by-laws do not impose any specific restrictions on transfer. The Company's CDIs were issued in reliance on the exemption from registration contained in Regulation S of the *US Securities Act of 1933* ("Securities Act") for offers that are made outside the US. Accordingly, the CDIs have not been, and will not be, registered under the Securities Act or the laws of any state or other jurisdiction in the US. As a result of relying on the Regulation S exemption, the CDIs are "restricted securities" under Rule 144 of the Securities Act. This means that you are unable to sell the CDIs into the US or to a US person for the foreseeable future except in very limited circumstances after the expiration of a restricted period, unless the resale of the CDIs is registered under the Securities Act or an exemption is available. To enforce the above transfer restrictions, all CDIs issued bear a "FOR US" designation on ASX. This designation restricts any CDIs from being sold on ASX to US persons. However, you still may freely transfer your CDIs on ASX to any person other than a US person.

Corporate directory

Directors

Diana Eilert
Chair, Independent Non-Executive Director, Australia

Steve Fireng
CEO, Executive Director, United States

Melanie Laing
Independent, Non-Executive Director, Australia

Robert Bazzani
Independent, Non-Executive Director, Australia

Susan Wolford
Independent, Non-Executive Director, United States

R. Christopher Hoehn-Saric
Non-Executive Director, United States

M. Avi Epstein
Non-Executive Director, United States

Company Secretary

Eric Israel
United States

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Keypath Australian Registered Office

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Australia
P: +61 3 9020 6190

Keypath US Registered Office

251 Little Falls Drive
Wilmington Delaware 19808
United States

Websites

» keypathedu.com
» keypathedu.com/investor-relations

Registry

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067
Australia
P: +61 3 9415 4062

Auditor

PricewaterhouseCoopers
2 Riverside Quay
Southbank VIC 3006
Australia

Shareholder information

The shareholder information set out below was applicable as of August 15, 2022.

The ASX Listing Rules require Keypath to provide various information about its shareholders.

Securities on issue

As of the date of this document, all of the shares are represented and traded on ASX as CDIs on a one-for-one basis. The legal holder of all of the shares is CHESS Depositary Nominees Pty Ltd, a subsidiary of ASX.

Keypath has on issue the following securities:

Type of Security	Number of Securities Issued	Number of Security holders
CDIs over Shares on a one-for-one basis	208,223,105	658
CDI Rights	9,135,621	32
Options	6,158,314	43

Voting rights

- Shares: at every shareholders' meeting, holders of shares are entitled to one vote for each share held on the record date. They may exercise that vote in person or by proxy. Currently all shares are held by CHESS Depositary Nominees Pty Ltd in order to facilitate the creation and trading of Keypath's CDIs on ASX.
- CDIs: at every shareholders' meeting, holders of CDIs are entitled to one vote for each CDI held on the record date and may provide instructions to CHESS Depositary Nominees Pty Ltd on how they wish to vote their CDIs.
- Options and CDI Rights: holders of options and CDI Rights do not have any voting rights.

Distribution schedule

The number of equity security holders in each class of Keypath's securities is distributed as follows:

Category	Number of Holders	Number of Securities	% of Holdings
CDIs			
1–1,000	391	202,065	0.10
1,001–5,000	181	396,451	0.19
5,001–10,000	34	243,086	0.12
10,001–100,000	36	1,123,515	0.54
100,001 and over	16	206,257,988	99.06
CDI Rights			
1–1,000	0	0	0
1,001–5,000	0	0	0
5,001–10,000	0	0	0
10,001–100,000	9	509,901	5.58
100,001 and over	23	8,625,720	94.42
Options			
1–1,000	0	0	0
1,001–5,000	0	0	0
5,001–10,000	0	0	0
10,001–100,000	29	1,408,876	22.88
100,001 and over	9	4,749,438	77.12

Substantial holders of CDIs (5% or more)

The number of securities held by substantial Shareholders and their associates as of August 15, 2022 are:

Substantial Holder	Type of Security	Number of Securities Held	% of Holding
AVI MEZZ CO LP	CDIs	141,687,978	68.05
CITICORP NOMINEES PTY LIMITED	CDIs	11,823,368	5.68

20 largest holders of CDIs

	CDI Holder	Number of CDIs	% Holding
1.	AVI MEZZ CO LP	141,687,978	68.05
2.	CITICORP NOMINEES PTY LIMITED	11,823,368	5.68
3.	STEVE FIRENG	9,362,419	4.50
4.	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	8,920,466	4.28
5.	NATIONAL NOMINEES LIMITED	8,514,040	4.09
6.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,939,121	3.33
7.	UBS NOMINEES PTY LTD	5,244,973	2.50
8.	BNP PARIBAS NOMS PTY LTD <DRP>	5,120,313	2.46
9.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,699,260	2.26
10.	BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	1,406,280	0.35
11.	WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	713,607	0.32
12.	CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	584,567	0.13
13.	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	423,960	0.12
14.	WARBONT NOMINEES PTY LTD <ACCUMULATION ENTREPOT A/C>	405,595	0.10
15.	WOODROSS NOMINEES PTY LTD	215,472	0.07
16.	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	196,569	0.05
17.	MS DIANA EILERT	92,863	0.04
18.	MR ANTONY GEORGE HILL + MISS ANNETTE LORRAINE HONE <HILL FAMILY SUPER FUND A/C>	70,000	0.04
19.	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	67,754	0.04
20.	LAYUTI PTY LTD <THE MOUATT SUPER FUND A/C>	52,888	0.02

Unmarketable parcels

Based on a CDI price of A$1.13, being Keypath's closing CDI price on August 15, 2021, 114 CDI holders are holding less than A$500 worth of 443 CDIs.

Restricted securities

Number of Securities	Type	Release from Restriction
146,369,187	CDIs	Date FY22 results are released
2,340,605	CDIs	Date FY23 results are released
2,340,605	CDIs	Date FY24 results are released

Market buy-back

There is no current on-market buy-back.

Employee incentive scheme

During the Reporting Period no securities were purchased on-market under or for the purposes of an employee incentive scheme or to satisfy the entitlements of holders of options or other rights to acquire securities granted under an employee incentive scheme.

Glossary

$ or USD	United States Dollars (unless otherwise specified)
2021 Equity Incentive Plan	The 2021 Equity Incentive Plan adopted by the Company under which options over CDIs have been granted to members of management and independent Non-Executive Directors
ABSN	Accelerated Bachelor of Science in Nursing
Adjusted EBITDA	Earnings before interest, tax, depreciation and amortization excluding certain non-recurring items and stock-based compensation
ARMC	Audit and Risk Management Committee
APAC	Asia-Pacific
ASC 606	Accounting Standards Codification Topic 606 "Revenue from Contracts with Customers" issued by FASB
ASC 718	Accounting Standards Codification Topic 718 "Compensation – Stock Compensation" issued by FASB
ASC 740	Accounting Standards Codification Topic 740 "Income Taxes" issued by FASB
ASC 805	Accounting Standards Codification Topic 805 "Business Combinations" issued by FASB
ASC 830	Accounting Standards Codification Topic 830 "Foreign Currency Matters" issued by FASB
ASC 842	Accounting Standards Codification Topic 842 "Leases" issued by FASB
ASU	Accounting Standard Update
ASX	The Australian Securities Exchange
ASX Listing Rules	The official listing rules of ASX
ASX Recommendations	The recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 4th edition, 2019
ASX Settlement	The settlement system and electronic securities depository for cash equities, warranties and other equity related securities traded in Australia
AUD	Australian dollars
AVI Holdings	AVI Holdings, L.P. and unitholder in AVI Mezz
AVI Mezz	AVI Mezz Co., LP, the sole shareholder of Keypath International prior to the Restructure and IPO
Awards	Equity-based incentive awards
Board or Board of Directors	The board of directors of the Company
Board Committee	A committee of the Board, including the Audit and Risk Management Committee, Nomination Committee and People, Remuneration and Sustainability Committee
CAGR	Compound annual growth rate
CDIs	CHESS Depositary Interests
CDI Rights	Rights to receive CDIs following the completion of the IPO received by certain employees in substitution for their previously existing employee options
CEO	Chief Executive Officer
CFO	Chief Financial Officer of the Keypath group, being Peter Vlerick
Chair	The chair of the Board, being Diana Eilert, or the chair of a Board Committee, as the context requires
CHESS	The Clearing House Electronic Sub-register System for settlement of shares on ASX, operated by ASX settlement system and electronic securities depository for cash equities, warranties and other equity related securities traded in Australia
Company or Keypath	Keypath Education International, Inc.
Company Secretary	Company secretary of Keypath, being Eric Israel
Corporations Act	*Corporations Act 2001* (Cth)
CST	Confidentiality and Security Team
CTO	Chief Technology Officer
DEI	Diversity, Equity and Inclusion
Director	A director of Keypath
DISC	Keypath's Global Diversity and Inclusion Standing Committee
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation, amortization
EdTech	Education Technology
ESG	Environmental, Social and Governance
Executive Leadership Team or ELT	Keypath Executive Leadership Team comprising Steve Fireng, Peter Vlerick, Eric Israel, Ryan O'Hare, Jon Gaunt, Edward Baughman, Paul Gleason and Jacqui Levings (from 1 June 2022)
FASB	Financial Accounting Standards Board of the United States
FY20	The period between July 1, 2019 and June 30, 2020
FY21	The period between July 1, 2020 and June 30, 2021
FY22 or Reporting Period	The period between July 1, 2021 and June 30, 2022
FY23	The period between July 1, 2022 and June 30, 2023
FY24	The period between July 1, 2023 and June 30, 2024

G&A	General and administration
Global CEO or CEO	Chief Executive Officer of the Keypath group, being Steve Fireng
Group	The group of companies constituted by Keypath, KEH, Keypath Education, LLC, Keypath Education Canada, Inc, Keypath Education UK, Ltd, Keypath Education Australia Pty Ltd, Keypath Education Malaysia Sdn. Bhd. and Keypath Education Singapore Pte. Ltd.
Healthcare	Keypath Healthcare vertical comprising Nursing, Health and Social Services courses
ICP	Incentive Compensation Plan
Incentive Plan	2021 Equity Incentive Plan, being an LTIP
IPO	The initial public offering of Keypath's CDIs and admission to the Official List of ASX
IPO Date	June 1, 2021
IT	Information technology
KEH	Keypath Education Holdings, LLC, a Group member
Keypath International	Keypath International, Ltd.
KeypathEDGE	Integrated technology and data platform that underpins Keypath's ability to acquire and retain university partners and students
KMP	Key management personnel as listed on page 54 of the Annual Report
Legacy LTIP Cash Awards	Awards granted to certain employees of the Company in substitution for their legacy performance awards, and which provide for a cash payment on satisfaction of certain conditions following the IPO date and described in the Company's prospectus
LTIP	Long-term incentive plan
M&A	Mergers and acquisitions
MFA	Multi-Factor Authentication
MOOC	Massive online open course
NCLEX	National Council Licensure Examination
Non-Executive Director	A non-executive director of Keypath
OPM	Online Program Manager or Online Program Management
Options	Options to subscribe for CDIs
PPC	Pay-per-click
Prospectus	Prospectus, dated May 11, 2021 (including the electronic form of the Prospectus)
PRS Committee	People, Remuneration and Sustainability Committee, being a subcommittee of the Board governed by the People, Remuneration and Sustainability Charter. The PRS Committee was previously named the People, Performance and Culture Committee or PRC Committee.
QS	Quacquarelli Symonds
Reporting Period	The period between July 1, 2021 and June 30, 2022
Restricted Stock	CDIs issued by the Company to AVI Mezz and to Steve Fireng that are subject to voluntary escrow agreements as set out in Note 13
Restricted Stock Units or RSUs	Rights to receive CDIs or cash that are subject to restrictions, including on transfer, until specified conditions are satisfied
RN	Registered Nurse
SDGs	Sustainable Development Goals
SEC	US Securities and Exchange Commission
SEO	Search engine optimization
Share	a fully paid share of common stock in Keypath
SOC	Service Organization Control
Stock Appreciation Rights	Rights to be paid a cash amount determined by the price of CDIs at a specified time or the movement in price over a period of time
Stock Bonus Award	Rights to receive CDIs, which may be based on specified conditions
SDGs	United Nations Sustainable Development Goals
US or United States	United States of America, its territories and provinces and any state of the United States of America
US GAAP	US generally accepted accounting principles
US Securities Act	*Securities Act of 1933* (US), as amended
WCAG	Web Content Accessibility Guidelines
YoY	Year-over-Year

Unlocking greatness

Keypath EDUCATION

keypathedu.com