Q1 FY23 Results Presentation

October 26, 2022

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Today's presenters

Steve Fireng

FOUNDER, GLOBAL CHIEF EXECUTIVE OFFICER

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

Peter Vlerick

CHIEF FINANCIAL OFFICER

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

A leading global education technology company

Enabling universities to grow students and deliver education online

Driven by our vision and mission

STRATEGIC VISION

Transform education, transform the world

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

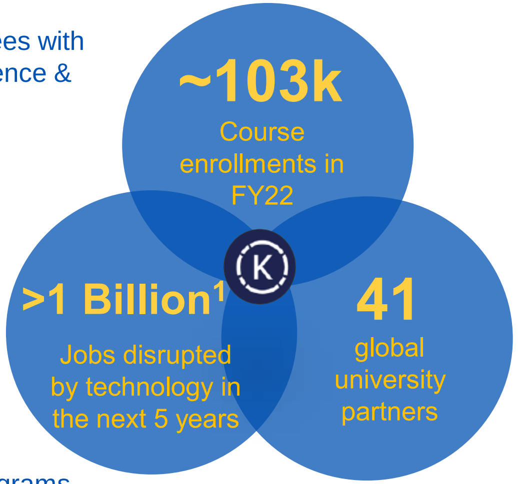
COMPANY MISSION

Unlock greatness

In educators | In individuals | In our people

STUDENTS

Access to online degrees with enhanced user experience & flexibility



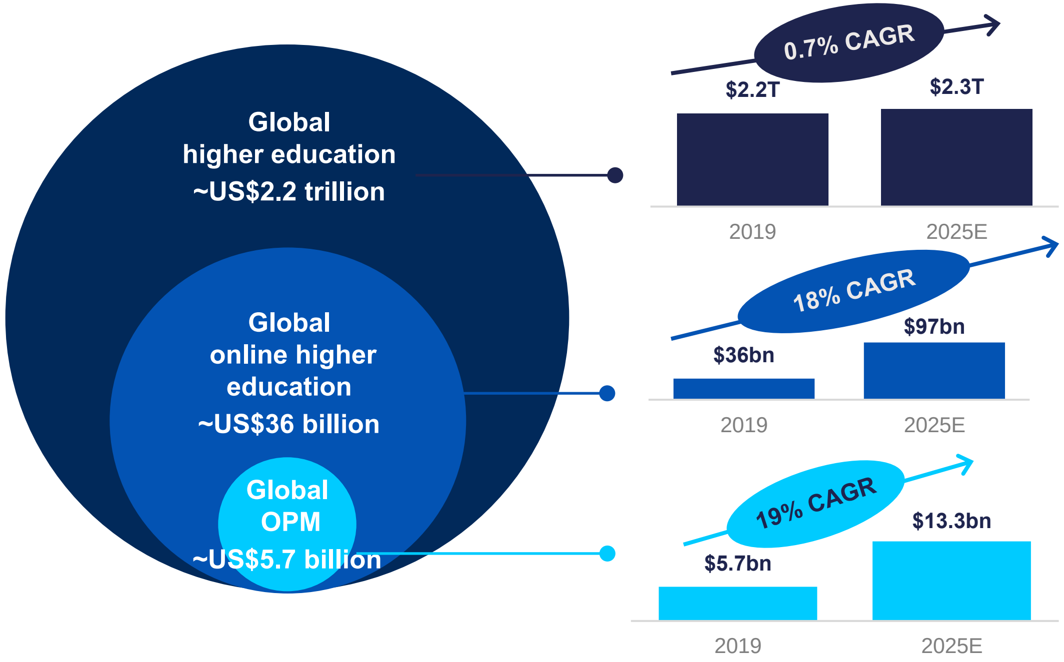
INDUSTRY

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

UNIVERSITIES

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

In a huge and growing market[2]



SIZE

Global OPM market US$5.7bn

GROWTH

19% CAGR to 2025E

ONLINE PENETRATION

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

(1) World Economic Forum, Future of Jobs Report 2020.
(2) Source: "Global Online Degree and Micro-Credential Market", HolonIQ, March 2021. Online penetration is Global online higher education as a percentage of Global higher education.

Unique combination of competitive strengths

Clearly differentiating Keypath's offering

Market pioneering leadership

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

Global footprint

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

Enterprise agreements to expand our programs across universities in new verticals

Experts in high demand degree verticals

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

Unrivaled proprietary technology

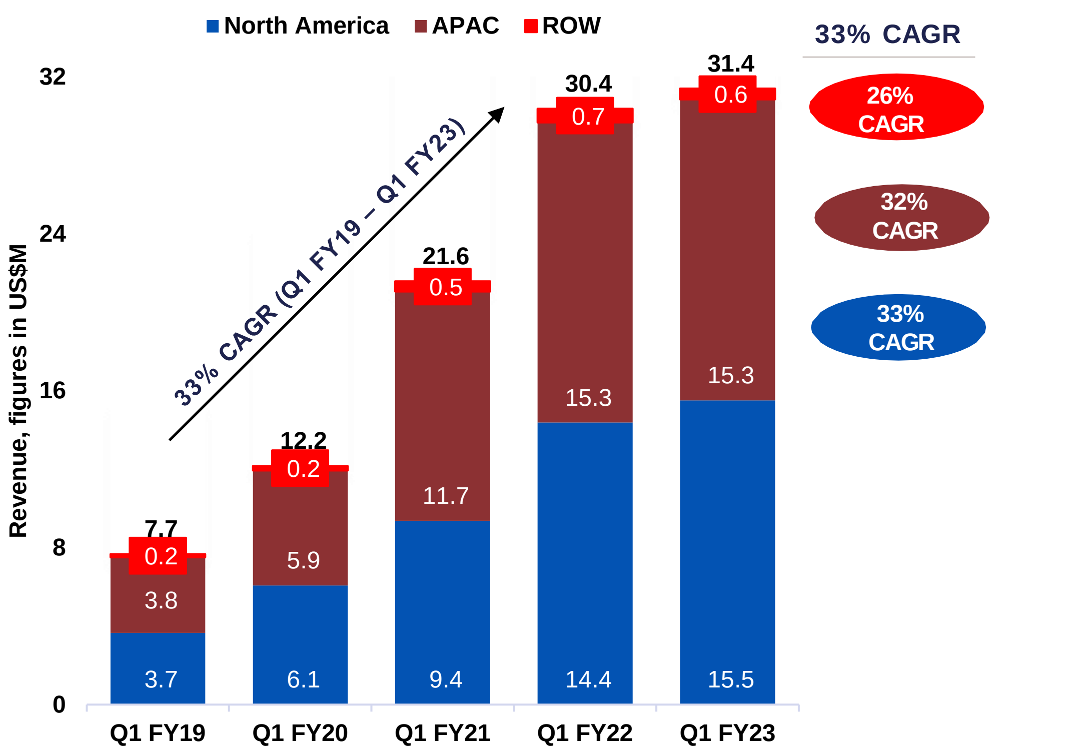
Optimized skills shortage identification and program delivery through Keypath EDGE driven by **data from 185 online programs and 10+ years of student lead history,** and augmented by leading workforce, industry, education, government and marketing data and analytics platforms

Driving financial performance

Strong, diversified, highly visible revenue growth

Global diversification with high growth rates

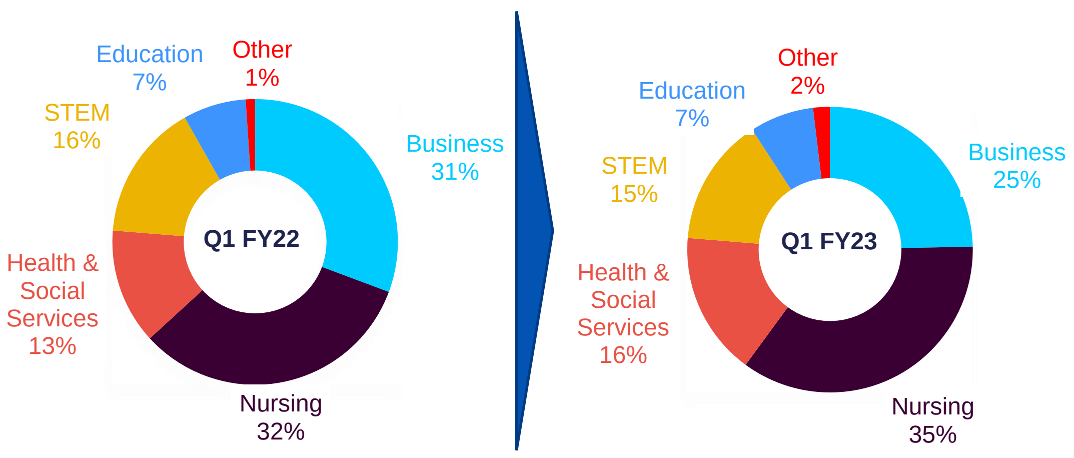
REVENUE BY GEOGRAPHY[1]



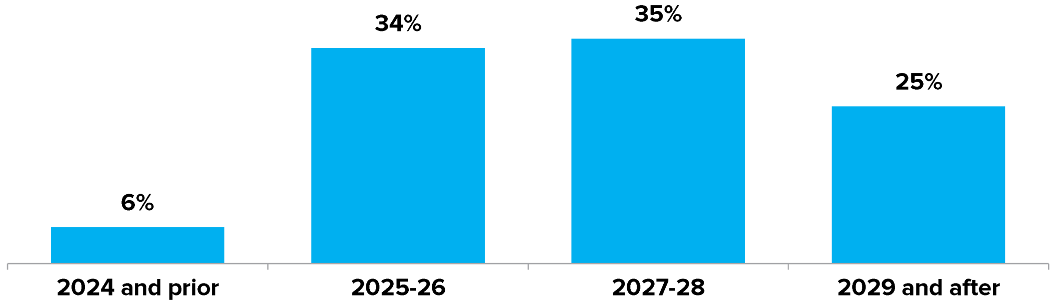
(1) North America region includes the United States and Canada. Asia-Pacific (APAC) region includes Australia, Malaysia and Singapore. The Rest of World ("ROW") includes the United Kingdom.

Vertical diversification with high revenue visibility

REVENUE SPLIT BY VERTICAL[2]



94% OF PROGRAMS NOT UP FOR RENEWAL UNTIL 2025 AND BEYOND[3]



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

Multiple strategies for further growth

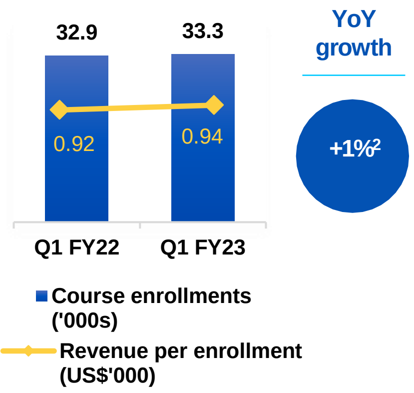
Powered by KeypathEDGE

KEYPATH EDGE

1 Grow enrollments within existing portfolio

Data-driven approach to growing enrollments through EDGE platform in **185 active programs**[1]

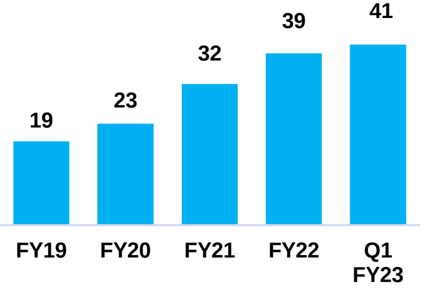
STUDENT COURSE ENROLLMENTS AND REVENUE PER ENROLLMENT OVER TIME



2 Sign new university partners in existing markets

Continued growth of university partners in existing markets; **two new partners in Q1 FY23**

NUMBER OF PARTNERS[3]



3 Launch new programs

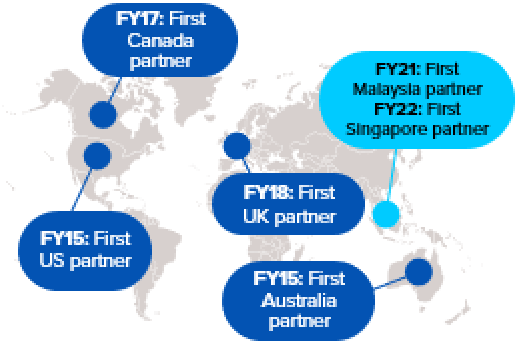
Launching new programs with existing and new partners

7 programs

With new partners in Q1 FY23

4 Expand in new markets

Drive expansion in new markets, notably Southeast Asia with Malaysia and Singapore program signings and launches



5 Add new products each year

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

In pipeline

- Occupational Therapy
- Physical Therapy
- Nurse Anesthetist
- Physician Assistant

With targeted M&A strategically over the long-term

(1) As of September, 30 2022.
(2) Course enrollments growth reflects real change based on whole numbers not rounded.
(3) Figures shown as at end of period indicated.

With a focus on Healthcare

Experts in the highly attractive Healthcare vertical

US$12 billion global online healthcare education market with US Healthcare masters degree market enrollments CAGR of 6.6% since 2012[1]

Global shortage of 6 million nurses by 2030[2]; 9 of the top 20 fastest growing professions in the US are in healthcare[3]

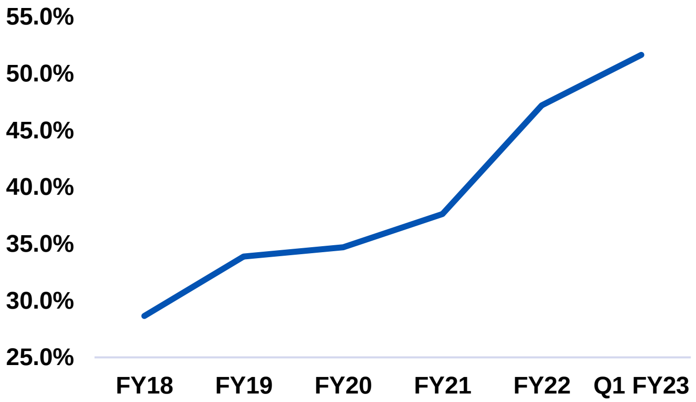
US$12bn
Global online healthcare education market size in 2025[4]

55%
Growth in ABSN (Nursing) enrollment[5]

30.6m
Global shortage of Nurses and Midwives[6]

21%
Growth in Google search demand within healthcare and social science since 2018[7]

Keypath Healthcare[8] revenue as % of total



(1) Wiley Education Services (2021). State of the education market: Trends and insights in key master's disciplines.
(2) World Health Organization.
(3) World Economic Forum.
(4) Source: HolonIQ. Estimate assuming healthcare is approximately 10% of the overall global online and alt cred education market. Healthcare spending accounted for ~10% of total GDP globally and graduate education in healthcare accounted for ~16% of total graduate education in the US.
(5) 2020-2021 AACN Enrollment & Graduations in Baccalaureate and Graduate Programs in Nursing.
(6) Lancet 2022; 399: 2129–54 Published Online May 23, 2022.
(7) Google.
(8) Healthcare includes Nursing, Health and Social Services verticals.

Keypath's global competitive advantage in Healthcare

Keypath is one of the largest OPM healthcare providers globally with a leading clinical placement expertise

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

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

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

27
Partners with Healthcare[1] programs (20 of which have Student Placement services)

102
Healthcare[1] programs

17%
Growth in Keypath Healthcare[1] revenue Q1 FY23 vs Q1 FY22

14,000+
Clinical and field placement relationships

~340
Healthcare systems

52%
Q1 FY23 Keypath Healthcare[1] revenue as % of total

>10,000
Clinical placements

AREAS WITHIN HEALTHCARE VERTICAL

In Portfolio

- ✓ Nursing
- ✓ Social Work
- ✓ Speech Language Pathology
- ✓ Mental Health
- ✓ Counseling
- ✓ Psychology
- ✓ Pharmacy
- ✓ Public Health

In Pipeline

- Occupational Therapy
- Physical Therapy
- Nurse Anesthetist
- Physician Assistant

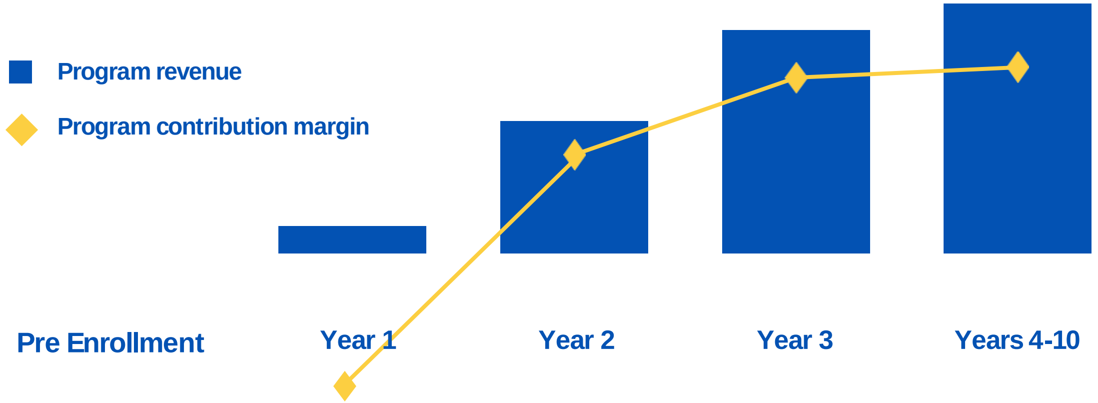
(1) Healthcare includes Nursing, Health and Social Services verticals.

High long-term returns

Long-term shareholder value creation

A proven unit economic model

ILLUSTRATIVE TARGET PROGRAM UNIT ECONOMICS



DEVELOPMENT & LAUNCH | **GROW** | **OPTIMIZE**

US$500k —US$1M

Avg. 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

High long-term returns on capital

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

Programs with 1st student intake in FY19 and prior **(mature vintages) achieved 44.9% contribution margin in Q1 FY23, proving the unit economic model**

Even with US$3.4 million of investment in our most recent vintages, Q1 FY23 contribution margin is strong at 19.6%

As the FY21, FY22 and FY23 vintages (the largest in our history) mature through the unit economic model, returns will increase significantly

We have already signed 18 programs from the FY24 vintage

Balance sheet strong for growth

Total cash on hand as of September 30, 2022 of US$40.7 million (no debt)

Fully funded for organic growth before positive internal net cash generation

Highly disciplined: only allocate capital to its highest returning uses

(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.

Q1 FY23 operational and financial highlights

Continued growth across all key metrics

FIGURES IN US$M UNLESS SPECIFIED

185

Total active programs[1]

+7 programs in Q1 FY23

33,263

Course enrollments[2]

vs 32,936 in Q1 FY22, up **+1%**

41

Global university partners

vs 32 in Q1 FY22, up **+28%**

$31.4m

Revenue

vs $30.4m in Q1 FY22, up **+3.4%** (+7.7% constant currency)

$6.2m

19.6%

Contribution margin[3]

vs $8.9m in Q1 FY22, down **$2.7m**

$(3.4)m

Adjusted EBITDA[4]

vs $1.1m in Q1 FY22 (includes $0.6m foreign currency exchange losses)

(1) Keypath defines a program as a bachelor's, master's, or doctoral degree program, a post master's degree certificate (in the United States) or a graduate diploma program (in APAC) that we are actively supporting on behalf of one of our university partners or for which we have executed contracts for a future program launch; As of September 30, 2022, 151 programs were revenue generating while 10 were in market but pre-1st enrollment.
(2) Includes estimates for enrollments pending invoicing.
(3) Contribution margin is revenue less direct costs, which consists of salaries and wages, direct marketing and general & administrative expenses attributable to direct departments. Contribution margin is not a US GAAP based measure.
(4) Adjusted EBITDA is earnings before interest, tax, depreciation, amortization and excluding stock-based compensation. Adjusted EBITDA is not a US GAAP based measure. Note that reported EBITDA for Q1 FY23 was US$(2.6) million as compared to US$(3.0) million in Q1 FY22. Q1 FY23 adjustments to reported EBITDA include US$0.6 million of one-time stock-based compensation, US$0.6 million of ongoing stock-based compensation, offset by a $2.0 million favorable adjustment from the final settlement of the long-term incentive plan cash awards. Q1 FY22 adjustments to reported EBITDA include US$3.6 million of one-time stock-based compensation and long-term incentive plan cash awards and US$0.5 million of ongoing stock-based compensation.

Q1 FY23 financial update

- While continuing to allocate capital to the strongest programs to position the Company for long-term growth, Keypath has delivered revenue growth with Q1 FY23 revenue growing 3.4% to US$31.4 million (7.7% growth on a constant currency basis when adjusted for unfavorable foreign exchange[1] impacts of US$1.3 million)
    - The quarter-on-quarter revenue comparability has been impacted in Australia by the COVID-related increase in enrollments due to lockdowns in Q1 FY22 and by the expected softening of enrollments in some programs from mature vintages, weighted to the business vertical, in Q1 FY23
    - We remain confident in our guidance for FY23 and driving longer-term growth beyond FY23 (see next slide)

- Q1 FY23 contribution margin of US$6.2 million decreased by US$2.7 million and adjusted EBITDA of US$(3.4) million decreased by US$4.5 million from Q1 FY22
    - Q1 contribution margin was impacted YoY by the revenue dynamic outlined above and the recent, large vintages being in their investment phase
    - Adjusted EBITDA was impacted by the above as well as the Southeast Asia expansion and investments in people and systems

- Total cash on hand as of September 30, 2022 was US$40.7 million (no debt)

- Net cash used in operating activities in Q1 FY23 was US$15.0 million
    - Reflecting the timing of collections, employee costs and direct marketing required to procure, develop and manage new programs ahead of their launch
    - Q1 and Q3 are typically lower cash receipt quarters as our largest student starts / enrollments are typically in these quarters with a relatively high cash outflow versus cash inflow
    - Quarterly cash flow is also impacted by the timing of launches and therefore spending on new programs

- Net cash used in investing activities in Q1 FY23 was US$1.4 million
    - Representing the capitalized value of employee and contractor costs directly involved in the development of programs and eligible for capitalization under US GAAP

- Net cash used in financing activities in Q1 FY23 was US$1.4 million
    - Representing the amount of cash outflow to satisfy employees' income tax withholding obligations as part of a net-share settlement of stock-based awards

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

FY23 current trading and outlook

- As outlined at our FY22 results we continue to proactively and analytically transition our focus and investment
  - Emphasizing academic programs which are in greatest demand, in particular clinical healthcare and complex STEM related programs
  - Sign and launch more healthcare programs where our competitive advantage within clinical placement and complex academic delivery ensures long-term value to partners and students
    - 17 of 18 programs signed for FY24 vintage are in Healthcare

- The performance of our vintages in FY23 and recent partner and program additions continue to underline our confidence in the outlook for these newer vintages

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

- As we continue to position the Company for long-term growth, we remain confident in achieving our guidance for FY23 of:
  - Revenue: US$125 million – US$130 million on a constant currency basis[1]
  - Adjusted EBITDA: US$(7) million - US$(9) million on a constant currency basis

- With our track record of revenue growth, the largest vintages with the strongest programs in our history moving through our proven unit economic model and our record partner and program pipeline, we remain confident in driving revenue growth into the future

- We are well funded to cash flow positivity and remain confident in our target of adjusted EBITDA profitability from H2 FY24

(1) FY23 guidance is on constant currency basis assuming USD:AUD rate of 0.695.

Q&A

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