



Q3 FY24 Results Presentation

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May 24, 2024



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This presentation includes references to, and analysis of, contribution margin, contribution margin percentage and Adjusted EBITDA (as defined below), which are financial measures not recognized in accordance with U.S. GAAP. These non-GAAP financial measures are used by management to monitor and evaluate Keypath's operating performance and make strategic decisions, including these related to operating expenses, and are used by investors to understand and evaluate our operating performance. These measures are not intended to serve as an alternative to U.S. GAAP measures of performance and may not be comparable to similarly titled measures presented by other companies. A reconciliation of these non-GAAP measures to their most directly comparable measures under U.S. GAAP is included on slide 17 of the presentation.

- Contribution margin is revenue less direct costs, which consist of salaries and wages, direct marketing and general and administrative expenses attributable to pre-enrollment services, post-enrollment services, and account management functions ("Direct Departments"), all of which directly relate to our revenue generating activities. 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.
- Contribution margin percentage represents our contribution margin as a percentage of revenue.
- Adjusted EBITDA is earnings before interest, tax, depreciation and amortization less certain non-recurring items as well as stock-based compensation ("SBC") expense and Legacy Long-Term Incentive Plan Cash Award ("Legacy LTIP Cash Awards"). In addition to the above, Adjusted EBITDA is used to determine non-equity incentive compensation.

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Past performance

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Important notices and disclaimer (continued)

No advice given

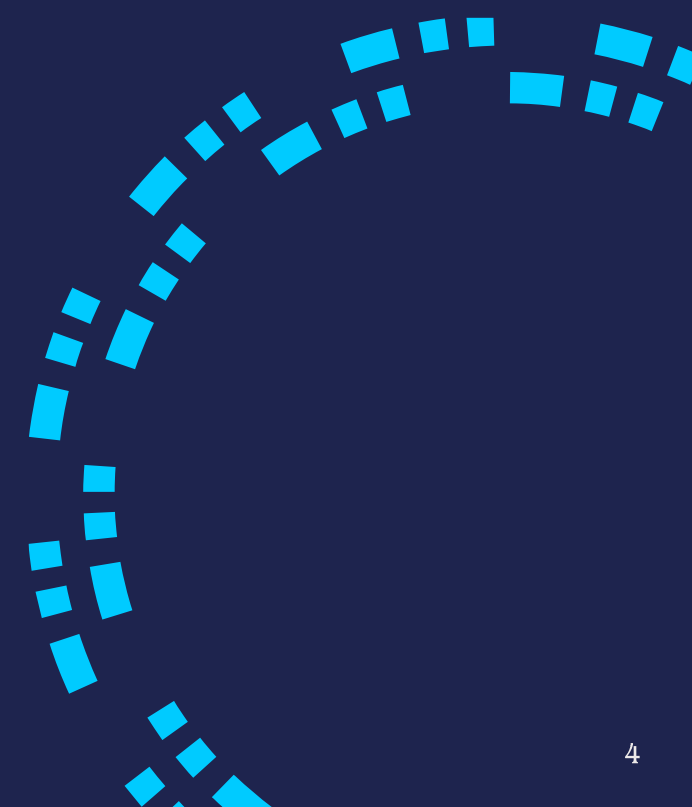
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PRESENTATION AGENDA

1. Keypath Education Overview
2. Q3 FY24 Results
3. FY24 Progress and Outlook



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Keypath Education Overview

Investment highlights

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

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

We partner with leading universities to offer high quality online programs across the most in-demand disciplines globally.



Long-term priorities

Focusing on the key drivers of growth, profitability and capital allocation

- **1 Optimize the base**
 - Optimize our portfolio / reallocating investment capital
 - Drive mature vintage contribution margins
 - Execute growth plans on new vintages
- **2 Grow in Healthcare**
 - Existing product (e.g., ABSN) expansion
 - New Healthcare product launches across a Healthcare online education platform
 - Expand Australia clinical programs with our competitive advantages in Healthcare capabilities
- **3 Expand in APAC**
 - Expand via enterprise relationships
 - Expand offerings across online education platforms
 - Grow new partners and programs in Southeast Asia
- **4 Continue our improvements in profitability with Adjusted EBITDA profitability from FY24**

Our strategy to deliver on our purpose in the US

Focusing our strategy on markets where we have the competencies to make the largest positive impact

FOCUS MARKETS

COMPETITIVE ADVANTAGES

OUR WINNING CAPABILITIES

INNOVATING DELIVERY IN THE LARGE AND IN DEMAND HEALTHCARE VERTICAL

>78k

Qualified nursing applications were not offered places at nursing schools in 2022¹

~100k

Registered nurses (RNs) left the workforce during the COVID-19 pandemic in the past two years due to stress, burnout and retirements²

30.6m

Global shortage of Nurses and Midwives³

US\$12bn

Global online healthcare education market size in 2025⁴

1

Significant clinical / field placement technologies and services provider

2

Continually adding new complex Healthcare products to portfolio

3

Universities can leverage our Healthcare platform to quickly scale programs

18.7%

Q3 FY24 growth in US Healthcare⁵ revenue

>700

US Healthcare systems

>29k

Clinical placements

Our strategy to deliver on our purpose in APAC





Focusing our strategy on markets where we have the competencies to make the largest positive impact

FOCUS MARKETS

COMPETITIVE ADVANTAGES

OUR WINNING CAPABILITIES

LEADER IN ONLINE HIGHER EDUCATION INNOVATION IN APAC

- | | | |
|--|---|--|
| <p>1 Build on our market leading position in Australia with innovative and new offerings</p> | <p>1 Building on our unique strengths of:</p> <ul style="list-style-type: none">A. Student acquisitionB. Economic modelC. Leading education institution partners |  11 Leading Australian education institutions |
| <p>2 Southeast Asia is the world's Largest EdTech growth region¹</p> | <p>2 Adding programs with our existing partners and adding new partners</p> |  Healthcare expansion underway with 37% of Q3 FY24 APAC revenue coming from Healthcare |
| <p>3 Major Government support and policy changes in favor of online education in Southeast Asia</p> | <p>3 Leverage core strengths to win in new ways in new geographies with new and innovative offerings</p> |  3 Leading private institutions
Keypath partners within Southeast Asia |
| | |  Innovation |

(1) Source: HolonIQ.

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Q3 FY24 Results

Q3 YTD FY24 highlights

Continued growth in partners, course enrollments, revenue and profitability with strong cash balance

Operational highlights

40 Global university partners	86,332 Course enrollments ¹
-3 partners from Q3 FY23	up +6% from Q3 YTD FY23

Financial highlights (US\$)

\$102.6m Revenue	\$27.2m 26.5% contribution margin	\$2.7m Adjusted EBITDA	\$41.2m Cash balance (no debt)
up +12% from Q3 YTD FY23, +14% constant currency	up +66% from Q3 YTD FY23	up +134% from Q3 YTD FY23, +139% constant currency	Expected to be fully funded to cash flow break even

(1) Includes estimates for enrollments pending invoicing.

Q3 FY24 financial update

- While continuing to allocate capital to the strongest programs to position the Company for long-term growth, Keypath has **delivered strong revenue growth in Q3 FY24 of 8.6%** to US\$35.7 million (10.4% growth on a constant currency basis when adjusted for unfavorable foreign exchange¹ impacts of US\$0.6 million) providing confidence in our strategic focus on Healthcare in the US and globally, and the APAC region
- Q3 FY24 **contribution margin of US\$9.1 million** increased by US\$2.0 million and **Adjusted EBITDA of US\$0.4 million** increased by US\$1.5 million from Q3 FY23
 - Strong contribution margin reflects the large recent vintages progressing through our unit economic model to maturity, offsetting the large number of programs we have signed recently that are in their deepest investment phase and the FY21-FY25 vintages being very large vintages, in terms of size and investment and expected steady-state revenue of US\$25 million – US\$35 million
 - Adjusted EBITDA improvements reflect our continued growth, strategic focus, and cost efficiency and leverage we are driving, further enhanced by our investment efficiency with slightly lower period-on-period investment of US\$3.7 million (compared to US\$4.0 million in Q3 FY23) in incremental costs associated with the large, new vintages noted above
- **Total cash on hand** as of March 31, 2024 was US\$41.2 million (no debt)
 - Positive net cash flow in Q3 FY24 (adjusted for one-time SEC registration costs) with minimal cash burn Q3 YTD FY24
- **Net cash provided in operating activities** in Q3 FY24 was US\$1.4 million
 - Reflecting favorable operating performance as well as 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 Q3 FY24 was US\$1.5 million
 - Representing the capitalized value of employee and contractor costs directly involved in the development of programs and eligible for capitalization under US GAAP

(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.

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FY24 Progress and Outlook

Strong foundations and outlook

Competitive position and strategic focus driving revenue growth and improving profitability resulting in raised guidance



	Previous FY24 guidance ²	Raised FY24 guidance ²	Longer term expectations
Revenue ¹	FY24: upper end of US\$130 million – US\$135 million	FY24: US\$137 million – US\$139 million	Mid-teens annual revenue growth
Adjusted EBITDA ¹	FY24: US\$0 million – US\$2 million	FY24: US\$2 million – US\$4 million	

(1) As previously disclosed, guidance includes revenue and Adjusted EBITDA from transitioned programs. FY24 is expected to have US\$8.4 million of revenue and US\$4.7 million of Adjusted EBITDA (including US\$1.9 million of additional bonus expense) contributed by transitioned programs. There will also be some impact in FY25, however the FY25 impact is expected to be at a lower level than in FY24.

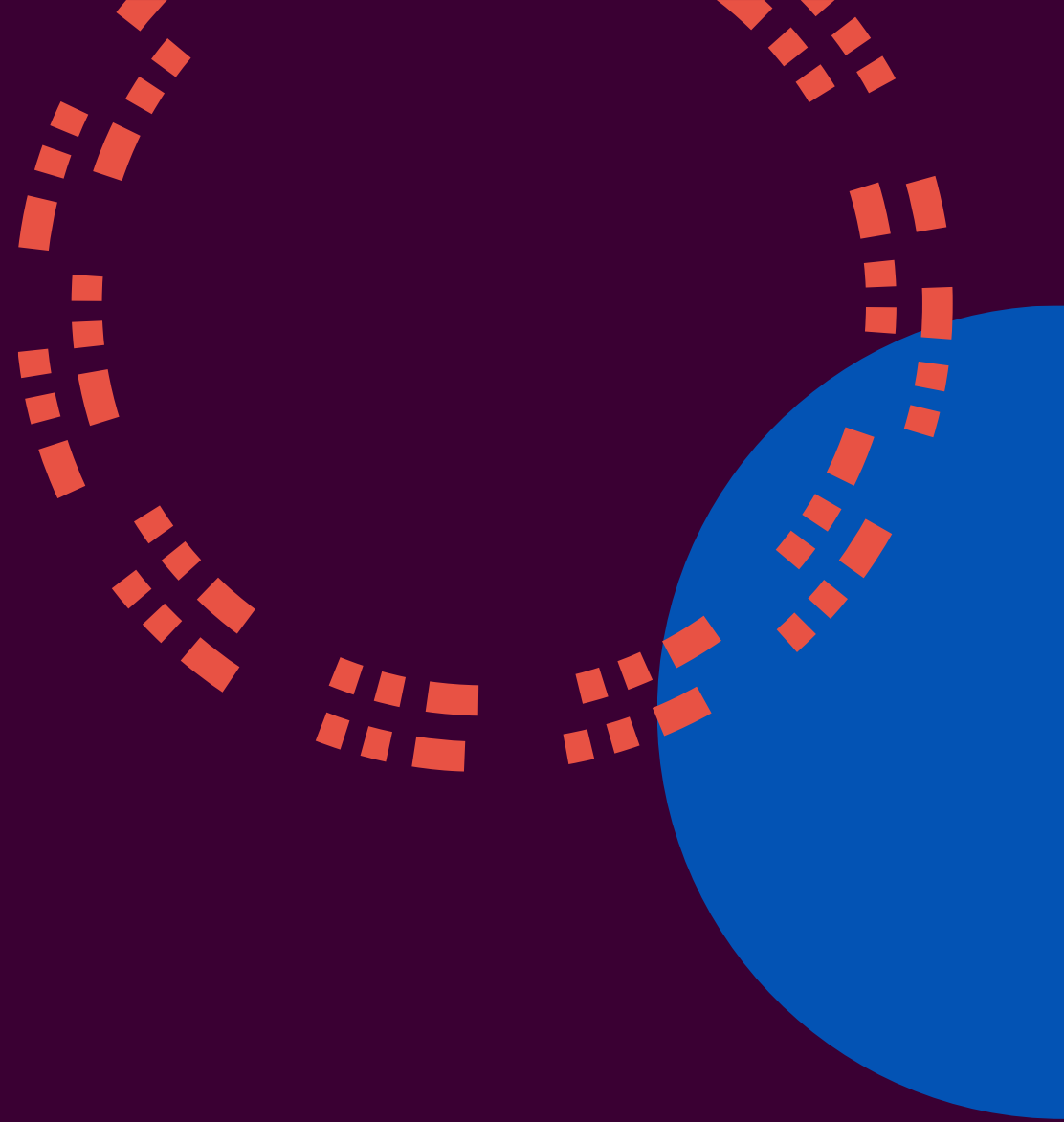
(2) FY24 guidance is on constant currency basis assuming USD:AUD rate of 0.67.

Q&A





Appendix



Reconciliation of U.S. GAAP to NON-GAAP Financial Measures (Unaudited)

For each of the periods indicated, the following table presents the Company's gross profit, as calculated in accordance with U.S. GAAP, and the Company's contribution margin and contribution margin percentage, and reconciles contribution margin and contribution margin percentage to gross profit and gross profit percentage, respectively:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue	35,699	32,866	102,608	91,554
Direct salaries and wages	(13,391)	(12,847)	(38,574)	(38,177)
Direct marketing	(12,461)	(12,214)	(34,778)	(34,770)
General and administrative allocated to direct departments	(705)	(655)	(2,048)	(2,215)
Stock-based compensation allocated to direct departments	(75)	(131)	(189)	(397)
Amortization of intangible assets	(1,105)	(924)	(3,120)	(2,887)
Gross profit	7,962	6,095	23,899	13,108
Gross profit %	22.3%	18.5%	23.3%	14.3%
Adjusted to exclude the following:				
Stock-based compensation allocated to direct departments	75	131	189	397
Amortization of intangible assets	1,105	924	3,120	2,887
Contribution margin	9,142	7,150	27,208	16,392
Contribution margin %	25.6%	21.8%	26.5%	17.9%

For each of the periods indicated, the following table reconciles the Company's primary measures of profitability Adjusted EBITDA to net loss for the periods indicated:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Net loss	(2,547)	(4,521)	(7,407)	(18,035)
Adjusted to exclude the following:				
Income tax (benefit) expense	(50)	439	1,204	699
Interest expense	50	-	50	-
Depreciation and amortization	1,527	1,323	4,231	4,062
Stock-based compensation	751	1,220	2,170	3,103
Legacy LTIP Cash Awards	-	-	-	1,825
Restructuring	-	388	-	388
SEC registration costs	678	99	2,434	99
Adjusted EBITDA	409	(1,052)	2,682	(7,859)

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