



# THINKIFIC

Empowering course creators to create and sell  
online courses & other learning products



This presentation is dated May 11, 2021, and has been prepared in connection with the earnings reporting for the period ending March 31, 2021 of Thinkific Labs Inc. (“the “Company”, “Thinkific”, “us” or “we”).

In this presentation, all references to “\$”, “US\$”, “dollars” and “U.S. dollars” are to United States dollars and all references to “C\$” are to Canadian dollars.

### **NON-IFRS MEASURES**

The information presented within this presentation includes “Adjusted EBITDA” and certain industry metrics. The “Adjusted EBITDA” is not a recognized measure under International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”), does not have a standardized meaning prescribed by IFRS, and is therefore unlikely to be comparable to similar measures presented by other companies. Rather, this measure is provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management’s perspective. Accordingly, it should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We also use certain industry metrics: “Annual Recurring Revenue”, “Paying Customers”, “Average Revenue per User”, and “Gross Merchandise Volume”. These industry metrics are unaudited and are not directly derived from our financial statements. The non-IFRS measure and industry metrics are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures and industry metrics in the evaluation of issuers. Our management also uses the non-IFRS measure and industry metrics in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation.

“Adjusted EBITDA” is defined as net income (loss) excluding taxes, interest, depreciation and amortization (or EBITDA), as adjusted for stock-based compensation, foreign exchange gain (loss), net finance expense, and transaction-related expenses. Adjusted EBITDA does not have a standardized meaning under IFRS and is not a measure of operating income, operating performance or liquidity presented in accordance with IFRS and is subject to important limitations.

See the Appendix for a reconciliation of Adjusted EBITDA.

### **INDUSTRY METRICS**

We monitor the following industry metrics to help us evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions: “Annual Recurring Revenue” or “ARR”, “Average Revenue per User” or “ARPU”, “Gross Merchandise Volume” or “GMV” and “Paying Customers”. See the Appendix for the definitions of such industry metrics. Our key performance indicators may be calculated in a manner different than similar key performance indicators used by other companies.

## **FORWARD-LOOKING STATEMENTS**

This presentation includes forward-looking statements and forward-looking information within the meaning of Canadian securities laws. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "is expected", "expects", "scheduled", "intends", "contemplates", "anticipates", "believes", "proposes" or variations (including negative and grammatical variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements in this presentation include statements regarding our financial position, business strategy, budgets, operations, financial results, plans and objective, industry trends; our growth and growth strategies; growth levels as the pandemic abates; addressable markets for our solutions; capturing market share; our competitive advantage; our use of the proceeds from our initial public offering; advances in and expansion of our offered platform service; expectations regarding our revenue and the revenue generation potential of our Platform and other products; revenue; and adjusted EBITDA.

Such statements and information are based on the current expectations of Thinkific's management and are based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances and are subject to risks and uncertainties. Although Thinkific's management believes that the assumptions underlying these statements and information are reasonable, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Such assumptions include assumptions in respect of the impact of the COVID-19 pandemic; our ability to continue investing in infrastructure to support our growth and brand recognition; our ability to continue maintaining and enhancing our technological infrastructure and functionality of our platform; our ability to maintain existing relationships with Course Creators and to continue to expand our Course Creators' use of our Platform; our ability to acquire new Course Creators; our ability to maintain existing material relationships on similar terms with service providers, suppliers, Partners and other third parties; our ability to build our market share and enter new markets and industry verticals; the successful rollout and integration of the Thinkific App Store; our ability to retain key personnel; our ability to maintain and expand geographic scope; our ability to execute on our expansion and growth plans; currency exchange and interest rates; the impact of competition; the changes and trends in our industry or the global economy; and the changes in laws, rules, regulations, and global standards are material factors made in preparing forward-looking information and management's expectations.

In addition, forward-looking financial information with respect to potential outlook and future financial results contained in this presentation are based on assumptions about future events including economic conditions, the assumptions noted above and proposed courses of action, based on management's reasonable assessment of the relevant information available as at the date of such forward-looking information. Readers are cautioned that any such forward-looking financial information should be used for purposes other than for which it is disclosed.



---

# About us

We are the core operating system for your knowledge business



As a horizontal solution,  
we already serve course  
creators from virtually  
every industry and  
vertical



Health & Fitness

Business & Marketing

Personal Development

Arts & Entertainment

Career Development

Fashion & Beauty

Software & Technology

Transportation

Education

Finance

Sales

Project Management

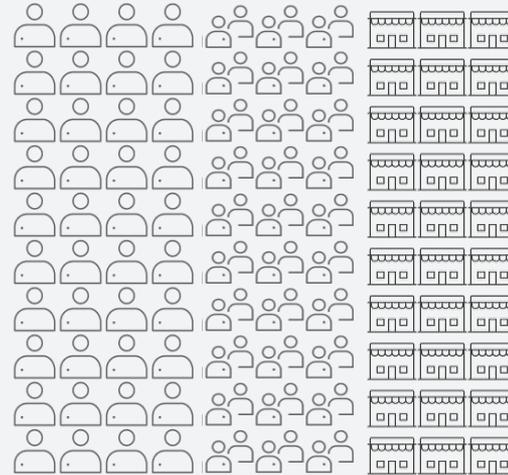
Corporate Training

Real Estate

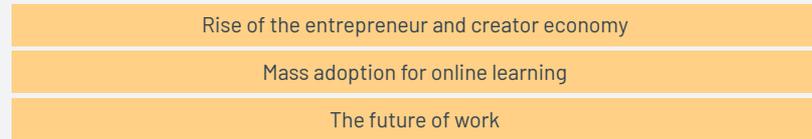
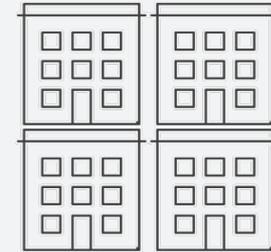
Legal

Any entrepreneur or established business can use education as a tool for growth

### Entrepreneurs and SMBs



### Enterprise



**\$27.9 - 34B**  
Thinkific TAM

(1) For businesses, we identified the propensity to develop learning content by organization size from research conducted by Emerald Works. For content creators, we applied filters based on audience size and content type based on management expertise and existing Thinkific data to determine the addressable population of content creators. We also removed the entire number of content creators from small businesses to avoid double counting. Finally, these market sizes were multiplied by the estimated average monthly revenue per Course Creator, which varies from \$76 to \$1,175 according to organization size or audience size and the platform on which that audience is hosted.

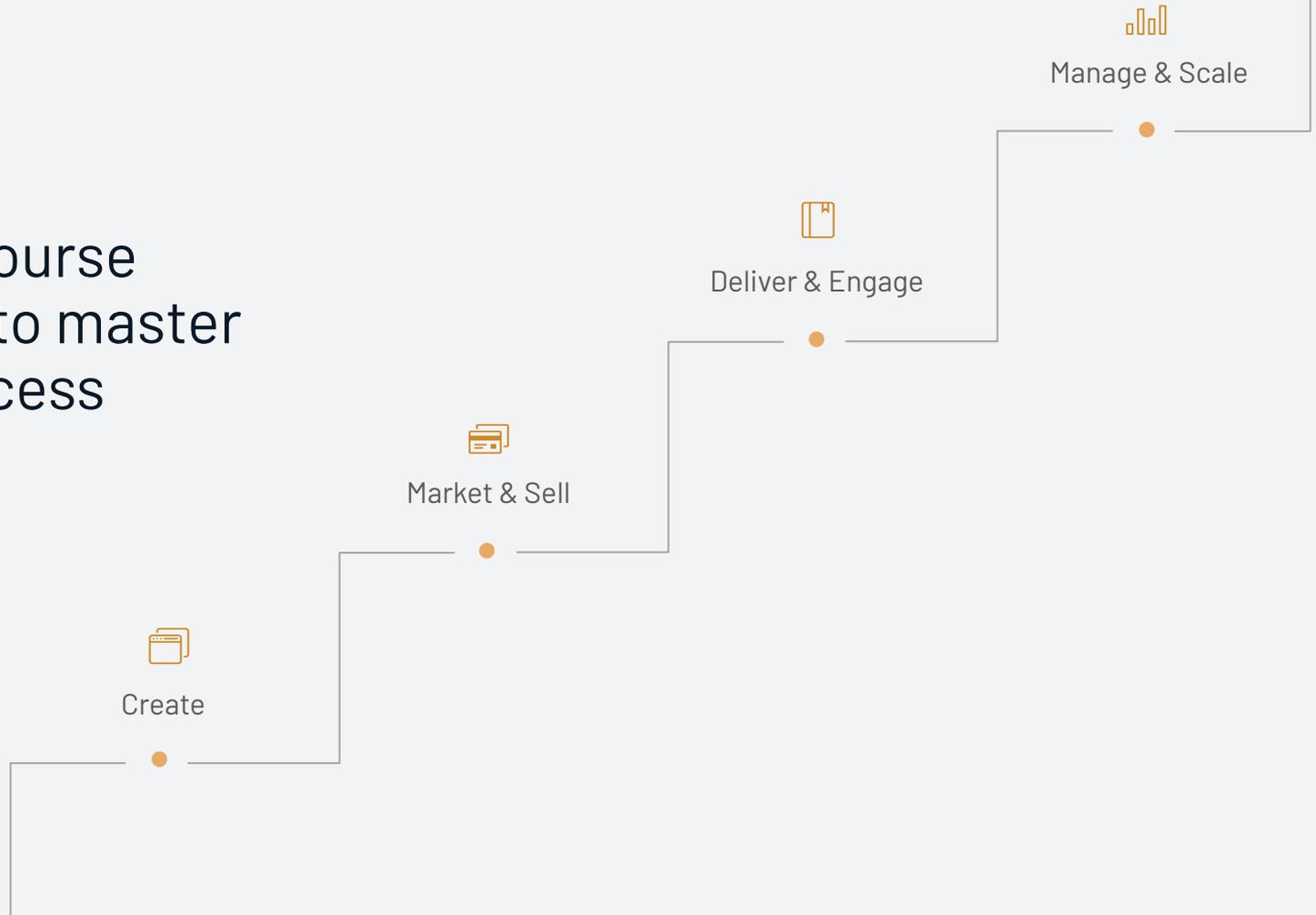
2) Customer segment illustrations are not proportionate to the underlying data.

# Built for entrepreneurs, trusted by enterprise

Course creators are able to start with Thinkific and grow their business with us to nearly any size



# Arming course creators to master their success



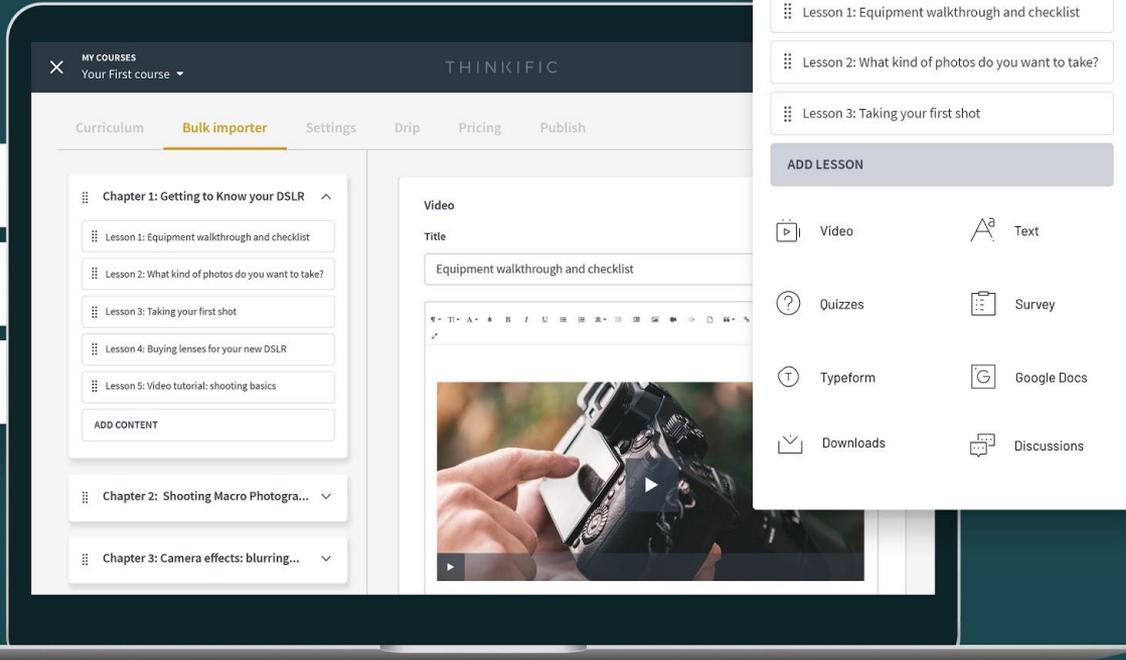
## PRODUCT TOUR

# Create, Deliver & Engage

 Jason Rivera  
jason@gmail.com  
Enrolled in DSLR Fundamentals

 Emma Cole  
emma@gmail.com  
Enrolled in DSLR Fundamentals

 Beatrice Singer  
beatrice@gmail.com  
Enrolled in DSLR Fundamentals



The screenshot displays the Thinkific course editor interface. At the top, it shows 'MY COURSES' with a dropdown for 'Your First course' and the Thinkific logo. Below this is a navigation bar with tabs for 'Curriculum', 'Bulk importer', 'Settings', 'Drip', 'Pricing', and 'Publish'. The main content area is divided into two columns. The left column shows a curriculum overview for 'Chapter 1: Getting to Know your DSLR', listing lessons: 'Lesson 1: Equipment walkthrough and checklist', 'Lesson 2: What kind of photos do you want to take?', 'Lesson 3: Taking your first shot', 'Lesson 4: Buying lenses for your new DSLR', and 'Lesson 5: Video tutorial: shooting basics'. Below the lessons is an 'ADD CONTENT' button. The right column shows a video player with the title 'Equipment walkthrough and checklist' and a video thumbnail of a hand holding a camera. A floating menu is open on the right side of the screen, titled 'Chapter 1: Getting to Know your DSLR'. It lists the lessons and includes an 'ADD LESSON' button. Below this button are icons and labels for various content types: Video, Text, Quizzes, Survey, Typeform, Google Docs, Downloads, and Discussions.

## PRODUCT TOUR

# Market & Sell

Pages Theme settings

← The Fine Craft Of Men's Tailoring

Header Default →

Sections

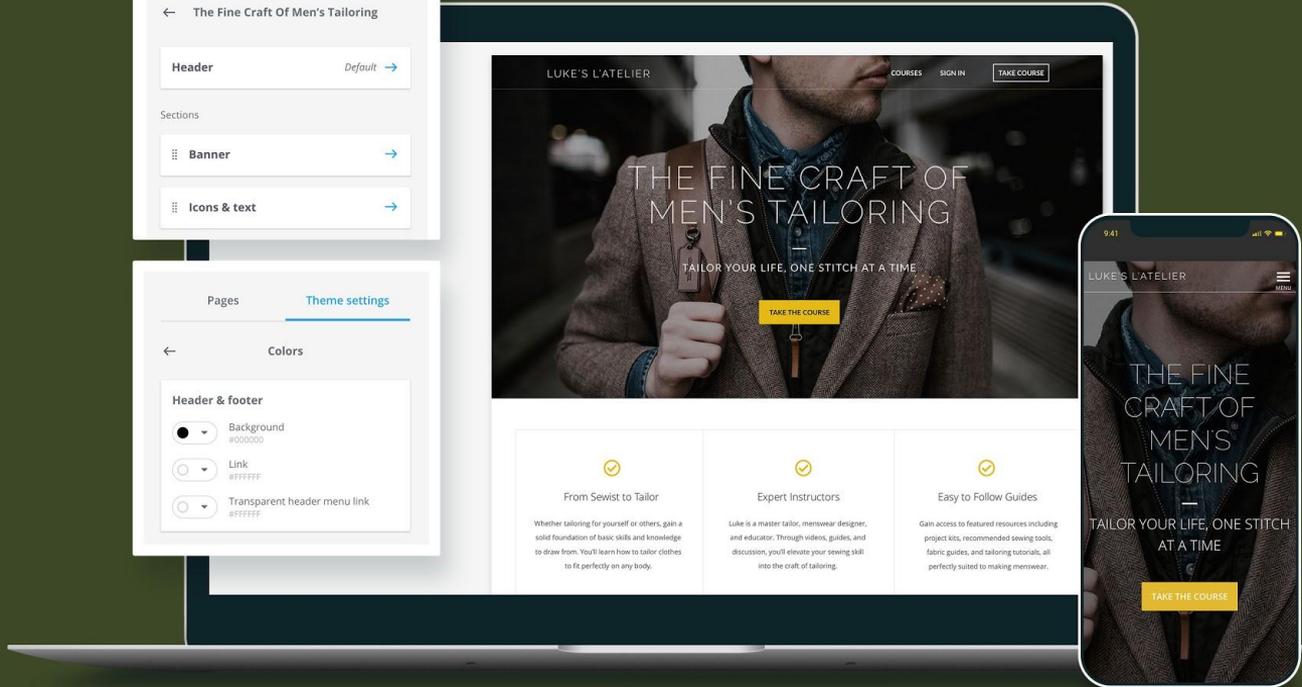
- Banner →
- Icons & text →

Pages Theme settings

← Colors

Header & footer

- Background #000000
- Link #FFFFFF
- Transparent header menu link #FFFFFF



# Manage & Scale

**Luke Knight**  
[luke@gmail.com](mailto:luke@gmail.com)  
 Enrolled in DSLR Fundamentals

Course	Progress
Marketing Analytics	23%
Advanced Excel	80%

THINKIFIC

MANAGE LEARNING CONTENT

DESIGN YOUR SITE

MARKET & SELL

ADVANCED REPORTING BETA

Revenue

Orders

Enrollments

Student Engagement

SUPPORT YOUR STUDENTS

SETTINGS

THINKIFIC'S ACCOUNT

Help center

Updates

## Orders BETA

Insights Details

Breakdown	2020-09-01	2020-10-01	2020-11-01	2020-12-01	2021-01-01
New Customer	25	68	51	83	
Returning Customer	13	18	23	23	
<b>Totals</b>	<b>38</b>	<b>86</b>	<b>74</b>	<b>106</b>	

Filters Reset Apply

PRODUCT NAME

Find...

(Select All)

21 Day Thinkific Launch Plan

30 in 30 Challenge

PRODUCT TYPE

(Select All)

Bundle

Course

COUPON

(Select All)

for all courses

Demo Our Courses

EGF FUND PACKAGE C

PAYMENT TYPE

### Analytics

61%

**AVERAGE ENGAGEMENT**

On average, people watch 61% of the video

17

**TOTAL PLAYS**

100%

**PLAY RATE**

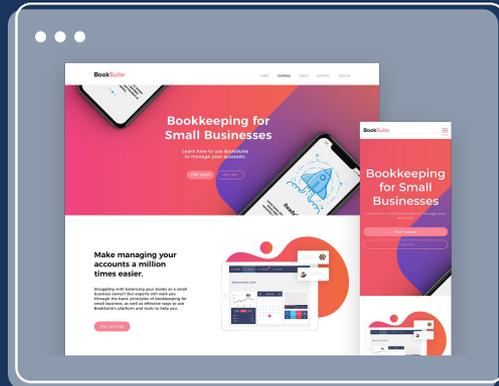
Out of 13 people who loaded this video on a webpage, 13 people played it.

Jan 29, 2021

**LAST WATCHED**

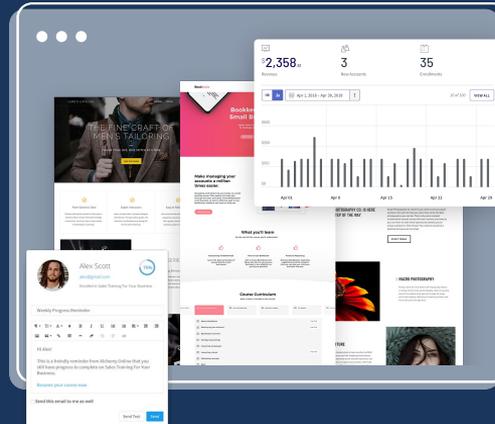
# Thinkific succeeds when Course Creators succeed

Core Operating System  
Monthly Subscription

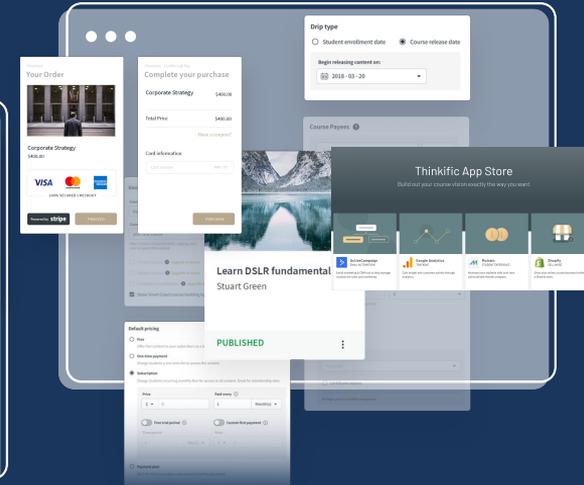


Freemium

Creator Success  
Plan Upgrades



Product & Platform Expansion  
App Store and Beyond



ARPU increases as customers succeed





From **pilot** to  
**course creator**

Training over  
1,800 students  
to date

**COASTAL DRONE ACADEMY**

*Kate Klassen*  
Co-founder

---

# Results

## Q1 2021

Thinkific demonstrates  
strength of surging course  
creator economy with  
C\$184M<sup>(1)</sup> IPO

\$184M<sup>(1)</sup>

---

Launched May 2021

# Thinkific App Store

Build out your course vision exactly the way you want



**ActiveCampaign**  
EMAIL AUTOMATION

Email marketing & CRM tool to help manage contacts for sales and marketing.



**Google Analytics**  
TRACKING

Gain insight into customer activity through analytics.



**Motrain**  
STUDENT EXPERIENCE

Motivate your students with your own personalized rewards program.



**Shopify**  
SELL MORE

Grow your online course business further with a Shopify store.



THINK IN COLOR 2020



**ADWEEK**  
**CAMPAIGN**  
**OF THE YEAR**

DIGITAL, LEAD GEN

# The accumulating advantage of our flywheel

More Customers

More GMV  
& Enrollments



More Partners &  
Functionality

Our formula is working and success is compounding

\$34.8M      \$107M

Annual Recurring Revenue  
(+134% YoY)

Gross Merchandise Value<sup>(1)</sup>  
(+156% YoY)

\$106/month

Average Revenue per User  
(+15% YoY)

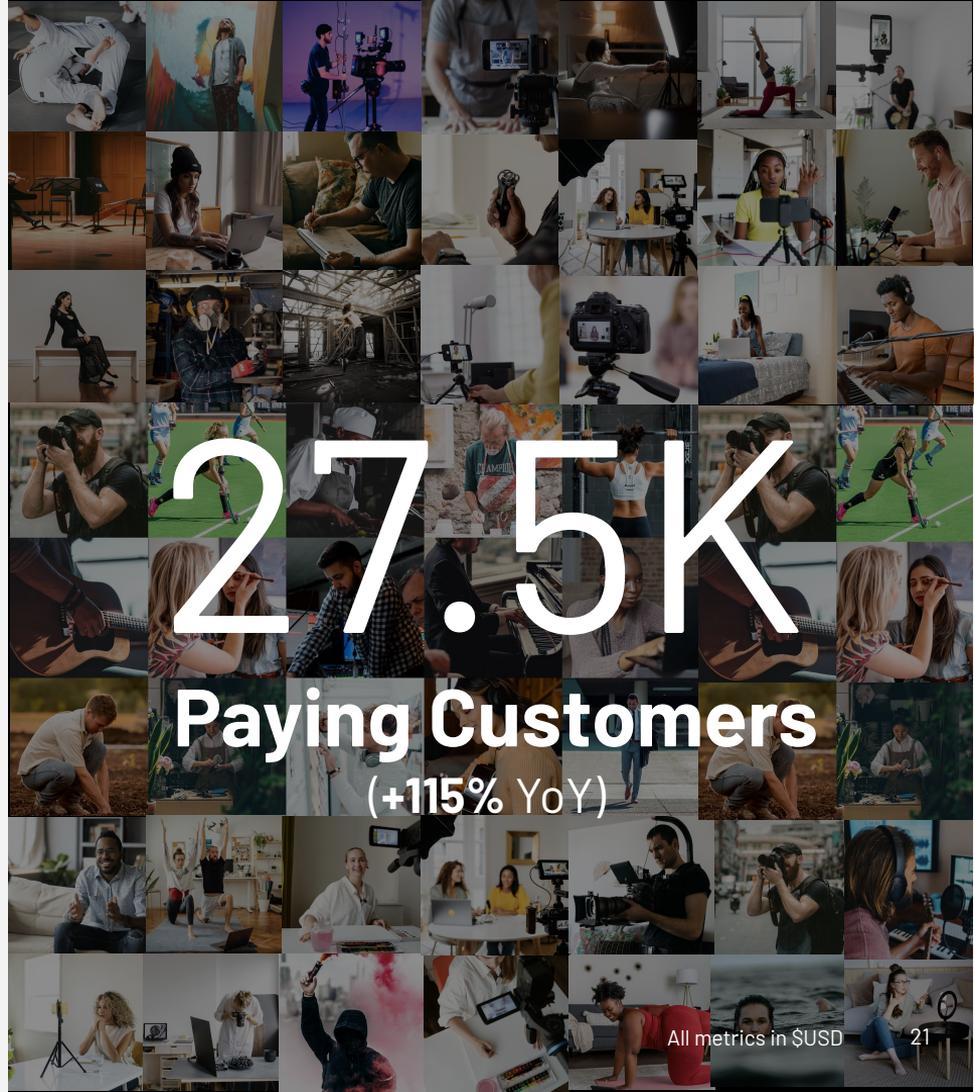
\$8.3M

Revenue  
(+152% YoY)

As of Mar 31, 2021

THINKIFIC

(1) GMV does not include transactions for course sales, membership subscriptions, or other products or services processed by APIs or certain apps where the Company does not record the transaction value.

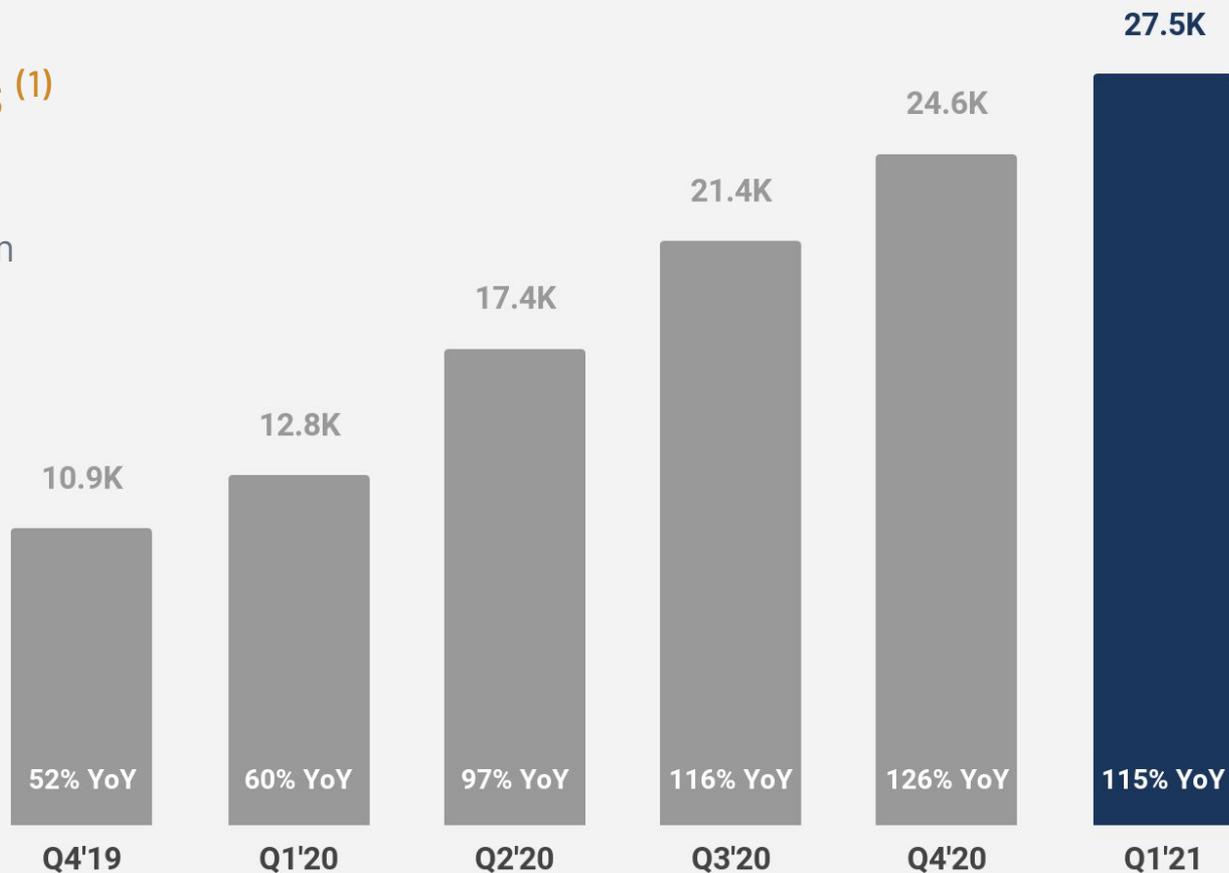


All metrics in \$USD

# Paying Customers <sup>(1)</sup>

Large & Growing Market

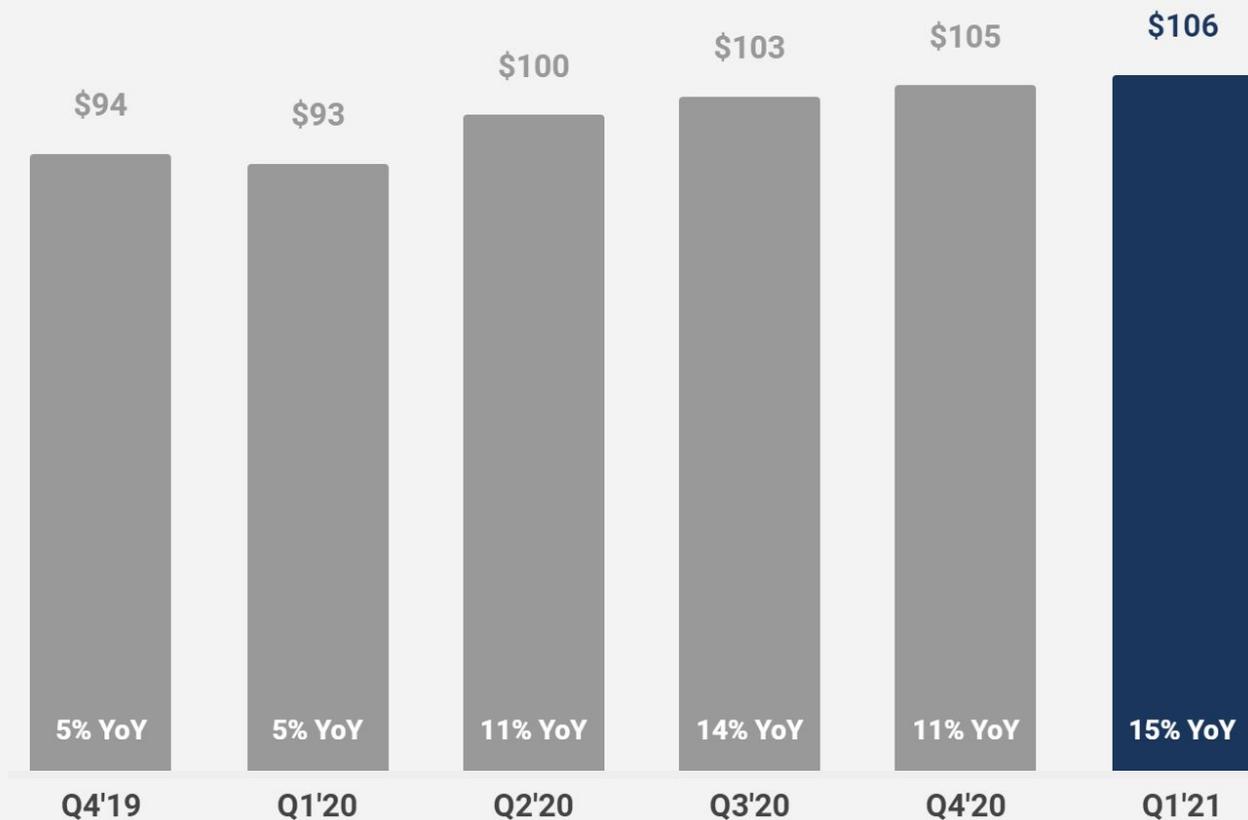
Innovative & Attractive Platform



(1) "Paying Customers" is the count of unique Thinkific subscribers on paid plans as of period end, excluding all trial and free customers, and including both monthly and annual subscribers.

# ARPU (monthly)<sup>(1)</sup>

Organic Expansion

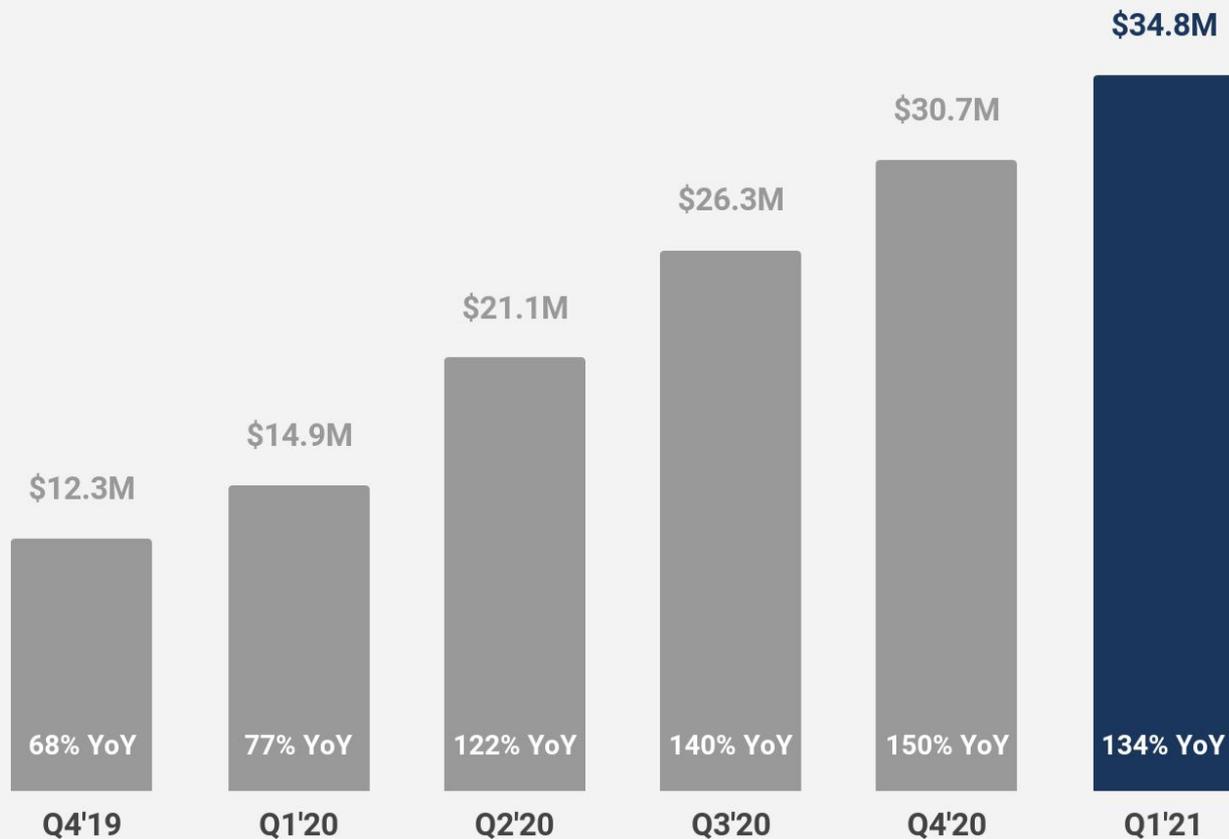


(1) "Average Revenue Per User" or "ARPU" is the average monthly Revenue per Paying Customer in the quarter. ARPU is calculated by taking the average Revenue for each month in the quarter (calculated in accordance with IFRS) and dividing this by the average number of Paying Customers for the same quarter.

# ARR (1)

Growing Customer Base

ARPU Expansion

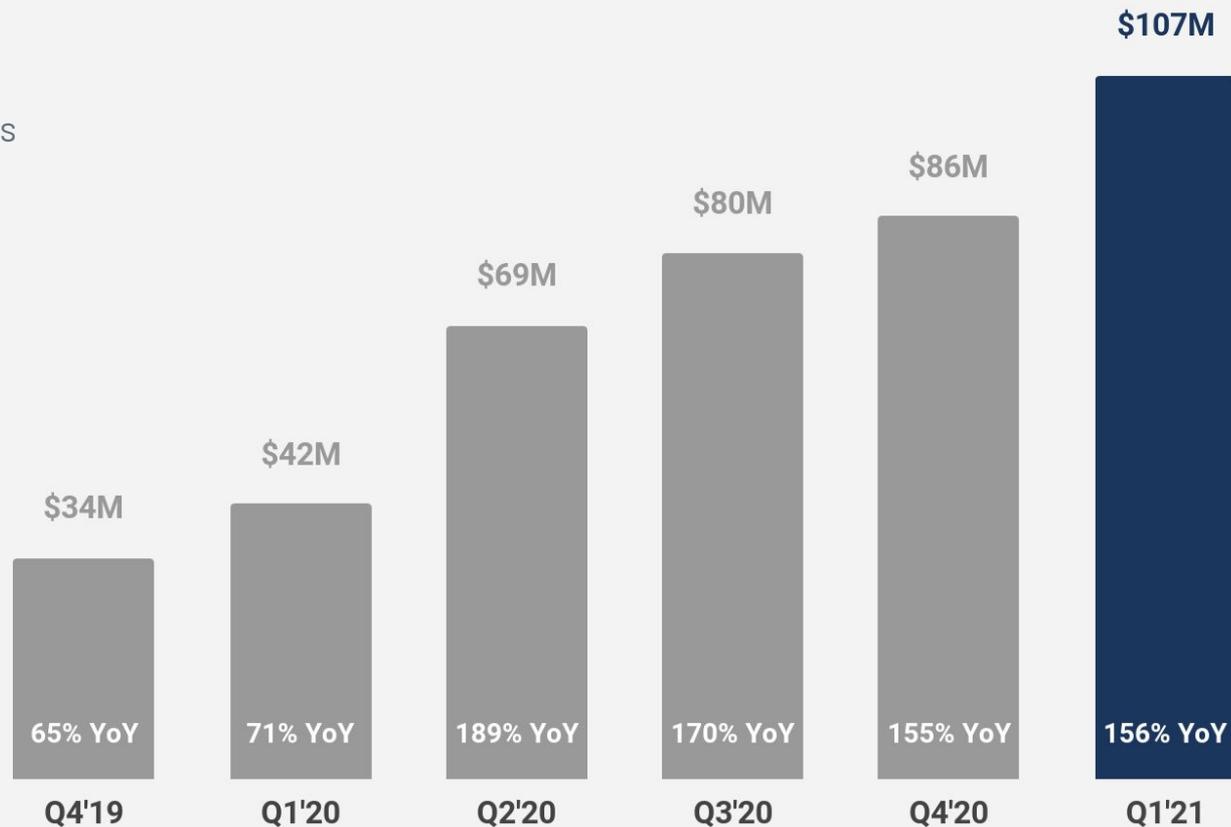


(1) "Annual Recurring Revenue" or "ARR" "Annual Recurring Revenue" or "ARR" is the annual value of all current Paying Customer subscriptions at the end of the period, with the number of Paying Customers multiplied by 12 times the average monthly subscription plan fee in effect on the last day of that period.

# GMV (1)

Growing number of course creators

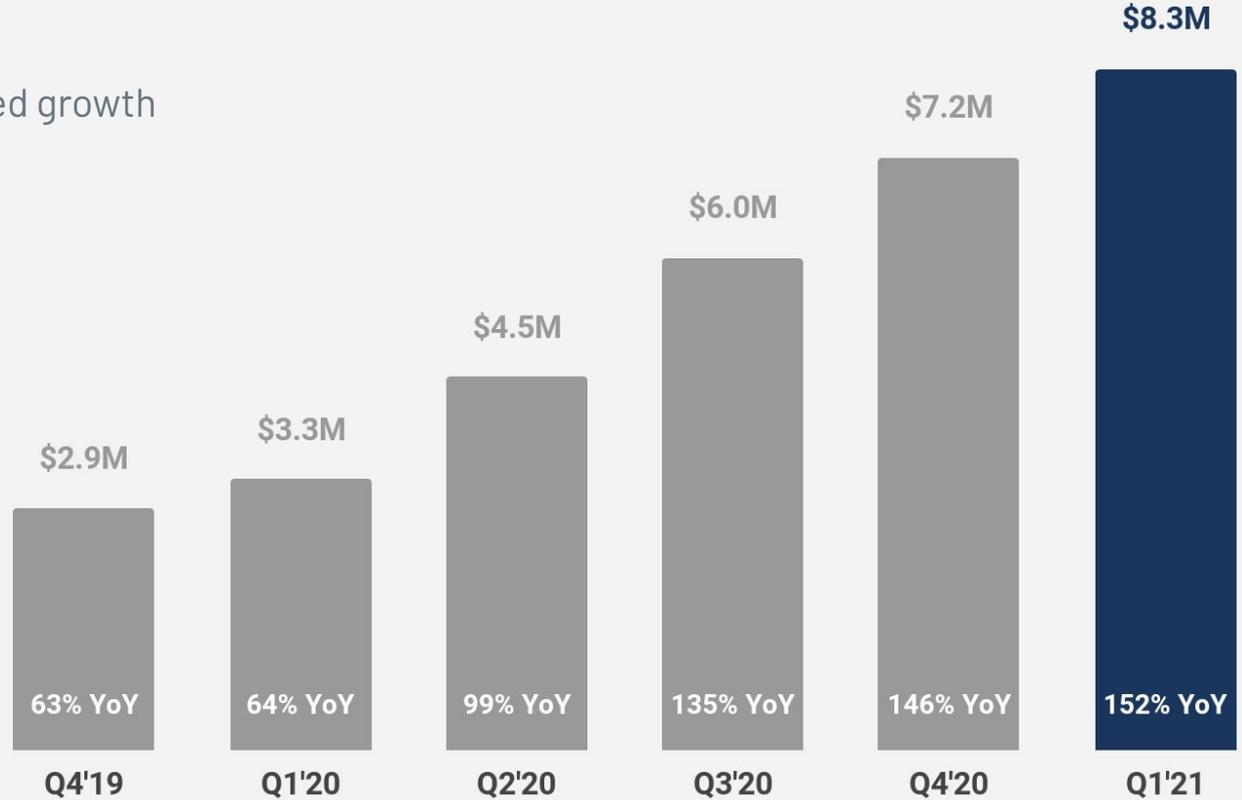
Increasing customer success



(1) "Gross Merchandise Volume" or "GMV" is the total dollar value of all transactions of course sales, membership subscriptions, or other products or services by Course Creators, facilitated through our Platform during the period, net of refunds. GMV does not include transactions for course sales, membership subscriptions, or other products or services processed by APIs or certain apps where the Company does not record the transaction value.

# Revenue

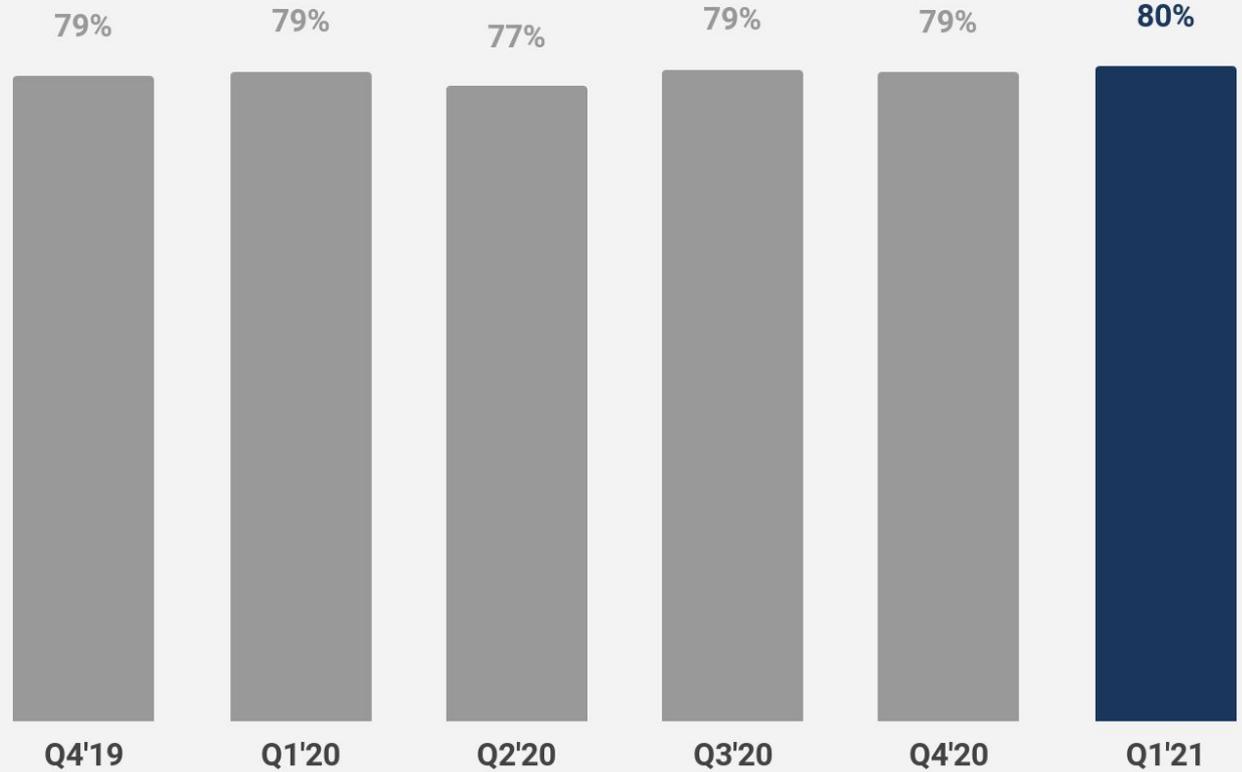
Low touch, scalable, product-led growth



# Gross Margin

Consistent efficiency

Best-in-Class Support

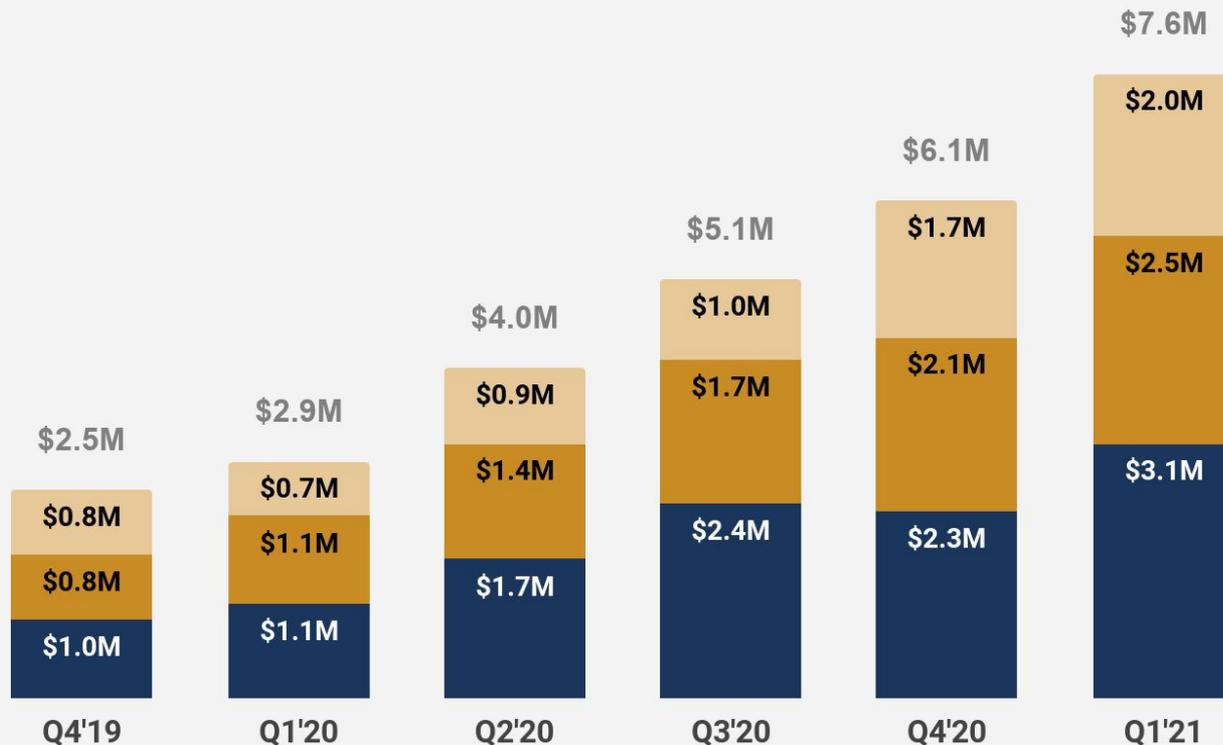


# Operating Expenses

Building for the future

R&D and S&M focus

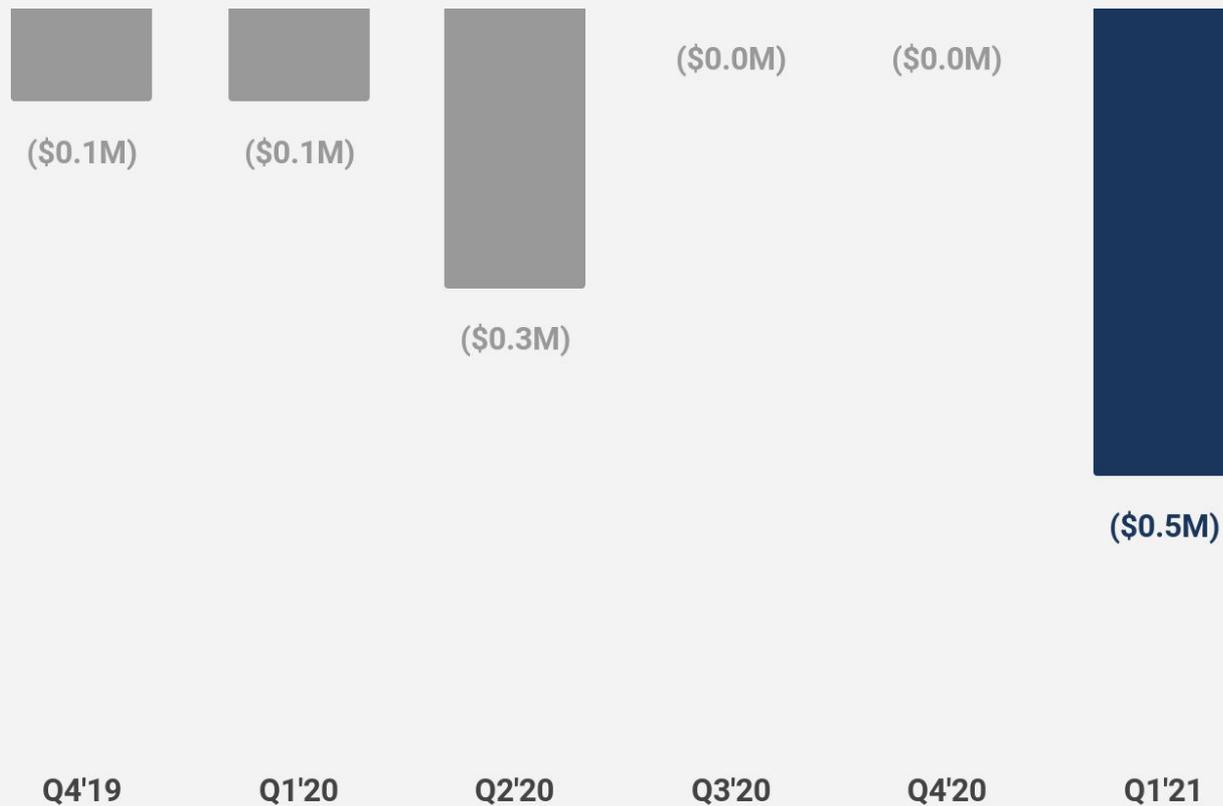
G&A R&D S&M



# Adjusted EBITDA <sup>(1)</sup>

Upfront investment in growth

Proven efficiency



(1) "Adjusted EBITDA" is a Non-GAAP measure defined as net income (loss) excluding taxes, interest, depreciation and amortization (or EBITDA), as adjusted for stock-based compensation, foreign exchange gain (loss), net finance expense, and transaction-related expenses. Please refer to the Appendix for a reconciliation to Net Loss

We believe we are just getting started, and will continue to invest in our product, our people, and our platform, with the long term in mind.

For the second quarter of 2021, Thinkific expects the following:

- Revenue in the range of \$8.7 - \$8.9 million
- Adjusted EBITDA<sup>(1)</sup> loss in the range of (\$3.4) - (\$4.0) million

Please see commentary and disclaimers in future looking information in the MD&A and press release.

(1) "Adjusted EBITDA" is a Non-GAAP measure defined as net income (loss) excluding taxes, interest, depreciation and amortization (or EBITDA), as adjusted for stock-based compensation, foreign exchange gain (loss), net finance expense, and transaction-related expenses.

---

# Appendix

# Definitions

**“Annual Recurring Revenue”** or **“ARR”** is twelve times the monthly value of all current Paying Customer subscriptions at the end of the period, with the number of Paying Customers multiplied by the average monthly subscription plan fee in effect on the last day of that period.

**“Average Revenue Per User”** or **“ARPU”** is the average monthly Revenue per Paying Customer in the quarter. ARPU is calculated by taking the average Revenue for each month in the quarter (calculated in accordance with IFRS) and dividing this by the average number of Paying Customers for the same quarter.

**“Gross Merchandise Volume”** or **“GMV”** is the total dollar value of all transactions of course sales, membership subscriptions, or other products or services by Course Creators, facilitated through our Platform during the period, net of refunds. GMV does not include transactions for course sales, membership subscriptions, or other products or services processed by APIs or certain apps where the Company does not record the transaction value.

**“Paying Customers”** is the count of unique Thinkific subscribers on paid plans as of period end, excluding all trial and free customers, and including both monthly and annual subscribers.

## **DATES OF PRESENTED METRICS**

Unless otherwise indicated, financial metrics contained in this presentation are for the three months ended March 31, 2021.

## Definitions (cont'd)

“**Adjusted EBITDA**” is a Non-GAAP measure defined as net income (loss) excluding taxes, interest, depreciation and amortization (or EBITDA), as adjusted for stock-based compensation, foreign exchange gain (loss), net finance expense, and transaction-related expenses. The following table reconciles Adjusted EBITDA to net (loss) income for the periods indicated:

Quarter Summary	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
<b>Net loss</b>	<b>-201K</b>	<b>-420K</b>	<b>-386K</b>	<b>-113K</b>	<b>-376K</b>	<b>-986K</b>
Stock-based compensation <sup>(1)</sup>	79K	81K	124K	183K	213K	259K
Depreciation	75K	91K	117K	135K	140K	141K
Foreign exchange (gain) loss <sup>(2)</sup>	-38K	146K	-126K	-238K	12K	-3K
Finance expense <sup>(3)</sup>	10K	1K	8K	9K	10K	10K
Transaction-related costs <sup>(4)</sup>	-	-	-	-	-	94K
<b>Adjusted EBITDA</b>	<b>-74K</b>	<b>-101K</b>	<b>-264K</b>	<b>-24K</b>	<b>-1K</b>	<b>-485K</b>

(1) Represents non-cash expenditures recognized in connection with stock options granted to our officers and employees.

(2) Represents unrealized gains and losses due to foreign exchange translation.

(3) Represents finance expense on lease obligations. Q4 2019 also includes a gain of \$10K resulting from a change in the fair value of the embedded derivatives of our convertible debentures, which is a non-cash item. As our convertible debentures were converted in 2019 and reduced to nil, there has been no further impact on our results of operations post Fiscal 2019.

(4) Represents costs related to our Initial Public Offering, and consists of professional, legal, consulting, and accounting fees that are non-recurring and that would otherwise not have been incurred and are not indicative of continuing operations.

THINKIFIC

**Contact**

Media: Josh Stanbury [press@thinkific.com](mailto:press@thinkific.com)

IR: Janet Craig [IR@thinkific.com](mailto:IR@thinkific.com)