This presentation is dated August 1, 2023, and has been prepared in connection with the earnings reporting for the period ending June 30, 2023 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 in this presentation includes "Adjusted EBITDA", which is not a recognized measure under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), 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: "Monthly Recurring Revenue" or "MRR", "Annual Recurring Revenue" or "ARR", "Paying Customers", "Average Revenue per User" or "ARPU", "Gross Merchandise Volume" or "GMV", and "Gross Payments Volume" or "GPV". These industry metrics are unaudited and are not directly derived from our financial statements. Adjusted EBITDA 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 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 calculated as net income (loss) excluding taxes, interest, depreciation and amortization (or EBITDA), as adjusted for stock-based compensation, foreign exchange loss (gain), net finance (income) expense, and restructuring costs. 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.

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", "forecasts", "trajectory", "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, but are not limited to statements regarding our financial position, management's ability to effectively invest, increase business efficiencies necessary to build and maintain a sustainable cost structure; business strategy, budgets, operations, investments, financial results, expected improvements to, and achieving breakeven Adjusted EBITDA, plans and objectives around growth and profitability; industry trends; potential growth of our industry; our growth rates and growth strategies including product-led growth strategy through the introduction of additional features to support the success of our Creators; addressable markets for our solutions; customer acquisition improvements; the achievement of advances in and expansion of our offered platform service (defined as "Thinkific Platform" and "Our Platform" in the 2022 Annual Information Form); the roll-out, development and success of new products, features, and services; the expectations regarding our revenue and the revenue generation potential of Our Platform and other products; Thinkific's commitment towards strong corporate governance, the expected benefits from the collective experience of the company's board directors, their experience and skill set as a member of the board of directors and the expected benefits that board directors may bring to position the Company for greater success and value creation in the future; and our competitive position in our industry.

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, and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including, but not limited to, the Company's ability to execute on its growth strategies; our ability to retain key personnel; our ability to continue investing in infrastructure to support our growth and brand recognition; our ability to continue securing, 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; the impact of changing conditions and increasing competition in the global e-learning market in which the Company operates; fluctuations in currency exchange rates and volatility in financial markets; changes in attitudes, financial condition and demand of our target market; developments and changes in applicable laws and regulations; and such other factors discussed in greater detail under the "Risk Factors" section of our Annual Information Form ("AIF").

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 not be used for purposes other than for which it is disclosed.
The trusted partner of Creator Educators.

Create, market, and sell digital learning products, build vibrant communities, and monetize memberships — all on a single, scalable platform.
Steady Execution & Building on Momentum

$53.3M
Annual Recurring Revenue
(+6% YoY)

$141/month
Average Revenue per User
(+12% YoY)

$31M
Gross Payments Volume
(+120% YoY)

$106M
Gross Merchandise Value
(+9% YoY)

For the quarter ended June 30, 2023

$14.4M
Revenue
(+14% YoY)

$53.3M
Annual Recurring Revenue
(+6% YoY)

$141/month
Average Revenue per User
(+12% YoY)

$31M
Gross Payments Volume
(+120% YoY)

$106M
Gross Merchandise Value
(+9% YoY)

For the quarter ended June 30, 2023

Key Metrics

All metrics in $USD

(1) Gross Merchandise Value 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.
Operational Excellence

Thinkific expects to exit 2023 with a profitable Adjusted EBITDA\(^{(1)}\) run rate

Key Metrics

- **$85M** Cash, with no Debt
- **-$1.2M** Adjusted EBITDA\(^{(1)}\) (+83% YoY)
- **75%** Gross Margin (-1% YoY)

For the quarter ended June 30, 2023

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\(^{(1)}\) “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 loss (gain), net finance (income) expense, and restructuring costs.
Thinkific 2023

2023 Priorities

We have clear growth priorities for this year, and we are firmly focused on achieving them:

● Easy to get started

● Help more Creators earn more

● Upmarket growth

Achieve Adjusted EBITDA\(^{(1)}\) profitability run

\(^{(1)}\) “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 loss (gain), net finance (income) expense, and restructuring costs.
Aligning business and investments for efficient growth

- Reduced Expense Run Rate
- Increased Revenue per Employee
- Improved Marketing Efficiency
Our Black Utopia
Money, Travel, Retiring Abroad

Halisi and Ric are financial independence educators who teach others how to get their finances in order and retire ASAP.

Within 30 days of launching their course, “Beyond the Bling”, they monetized their social media followers, and generated sales, more than recouping their investment.

Thinkific made it easy for them to get started through programs like Thinkific’s Accelerator program.

Their success on the platform contributed to their ability to retire abroad 10 years ahead of schedule.
Thinkific Payments

- New payment methods like “Buy Now, Pay Later” drive ARPU, support Creator success, and provide more flexibility to students

- Our new Sales Tax Management Solution calculates, collects and remits tax for creators on US & Canadian sales, alleviating admin burdens and ensuring compliance

- Over three quarters of Creators in the US and Canada, earn their first dollar on Thinkific Payments
Keep your audience engaged with actionable insights

**Thinkific Analytics** gives customers deeper insights into their student and course engagement and bottom line business performance, so they can track ROI and make smart decisions quickly.

**SOC2 Compliant**
Thinkific’s information security practices, policies, procedures, and operations meet the SOC2 standards for security.
Helping Creators Reach Their Customers

Your custom-built ‘Branded Mobile’ App

A white-labeled mobile app with custom features for branding, course engagement, and driving sales. Thinkific acts as the Creator’s trusted team of experts, helping them build, publish and maintain their white-labelled app.
The 2023 AI for Creators Report

“The 2023 AI for Creators Report” was designed to be an analysis of AI tools and how Creators can use them to help build and grow their businesses.

By the end of the report, readers should have a comprehensive understanding of how AI can be leveraged in the creative process, and be equipped with the knowledge and tools to implement AI in their own creative work.

Contents:
1. The state of AI in 2023
2. The ethics of using AI as a Creator
3. Effective AI prompts
4. How different types of Creators can use AI
5. AI tool breakdown
6. The big takeaways
Enabling Creators to get started within minutes or hours rather than days or months ...
Results
Q2 2023
Financial Performance

Revenue

Low touch, scalable, product-led growth

Easy to get started

Growth upmarket

All metrics in $USD

Q1'22: $11.8M (42% YoY)
Q2'22: $12.6M (38% YoY)
Q3'22: $13.3M (34% YoY)
Q4'22: $13.8M (28% YoY)
Q1'23: $14.1M (20% YoY)
Q2'23: $14.4M (14% YoY)
Financial Performance

**ARPU (monthly)** (1)

Creator upgrades to higher tier plans

Growing with Customer success via Thinkific Payments

Larger deal size and expansion on Thinkific Plus

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(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.

All metrics in $USD
Financial Performance

**ARR** (1)

New Creators on platform

Upgrades to higher-tier plans

Growth upmarket

- Q1’22: $46.4M, 33% YoY
- Q2’22: $50.3M, 32% YoY
- Q3’22: $50.9M, 24% YoY
- Q4’22: $51.5M, 18% YoY
- Q1’23: $52.3M, 13% YoY
- Q2’23: $53.3M, 6% YoY

All metrics in $USD

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(1) “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.
Paying Customers (1)

Steady gains, stable base

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.
Financial Performance

**GPV**  
(1) “Gross Payments Volume” or “GPV” is the total dollar value of GMV processed through Thinkific Payments.

Release of Thinkific Payments  
November 2021

Increasing penetration from 26% in Q1’23 to 30% in Q2’23

All metrics in $USD

(1) "Gross Payments Volume" or "GPV" is the total dollar value of GMV processed through Thinkific Payments.
Financial Performance

Gross Margin

Business model delivers strong structural Gross Margin

Delivering best-in-class support
Financial Performance

Operating Expenses (1)

Disciplined and focused investment

Prudent cost structure

(1) Operating expenses excludes restructuring costs of $2.3M in Q1'22 and $3.2M in Q1'23

All metrics in $USD
Adjusted EBITDA (1)

83% improvement YoY

Disciplined investment

Improving trend

(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 loss (gain), net finance (income) expense, and restructuring costs. Please refer to the Appendix for a reconciliation to Net Loss.
Positioned for further success

Our market is large and we are positioned for long-term success

- Continued product innovation
- Disciplined investments for growth
- Strong balance sheet
- The right team, mindset, and workplace
Financial Outlook Q2 2023

Thinkific expects to exit 2023 with a profitable Adjusted EBITDA\(^{(1)}\) run rate, benefiting from both top-line growth, and a reduction in its cost structure.

For the third quarter of 2023, the Company expects:

- **Revenue of $14.5 million - $14.7 million; and**
- **Adjusted EBITDA\(^{(1)}\) loss in the range of $0.6 million to $1.2 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 loss (gain), net finance (income) expense, and restructuring costs. Please refer to the Appendix for a reconciliation to Net Loss.
Appendix
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 learning products made by our Creators, facilitated through our Platform, including Thinkific Payments, 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. GMV does not represent earned by us.

“Gross Payments Volume” or “GPV” is the total dollar value of transactions processed using Thinkific Payments in the period, net of refunds and inclusive of sales tax where applicable. GPV does not represent revenue earned by us.

“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 and six months ended June 30, 2023.
“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 (income) expense, and restructuring costs. The following table reconciles Adjusted EBITDA to net (loss) income for the periods indicated:

<table>
<thead>
<tr>
<th>Quarter Summary</th>
<th>Q1'22</th>
<th>Q2'22</th>
<th>Q3'22</th>
<th>Q4'22</th>
<th>Q1'23</th>
<th>Q2'23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss</td>
<td>($11,987K)</td>
<td>($10,111K)</td>
<td>($10,658K)</td>
<td>($3,666K)</td>
<td>($7,007K)</td>
<td>($2,142K)</td>
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<tr>
<td>Stock-based compensation</td>
<td>$522K</td>
<td>$645K</td>
<td>$956K</td>
<td>$663K</td>
<td>$704K</td>
<td>$2,021K</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>$275K</td>
<td>$277K</td>
<td>$317K</td>
<td>$328K</td>
<td>$343K</td>
<td>$354K</td>
</tr>
<tr>
<td>Foreign exchange (gain) loss</td>
<td>($892K)</td>
<td>$2,408K</td>
<td>$4,108K</td>
<td>($1,006K)</td>
<td>($115K)</td>
<td>($505K)</td>
</tr>
<tr>
<td>Finance expense</td>
<td>($74K)</td>
<td>($253K)</td>
<td>($398K)</td>
<td>($703K)</td>
<td>($690K)</td>
<td>($947K)</td>
</tr>
<tr>
<td>Restructuring costs⁽¹⁾</td>
<td>$2,875K</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$3,681K</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>($9,281K)</td>
<td>($7,034K)</td>
<td>($5,676K)</td>
<td>($4,383K)</td>
<td>($3,085K)</td>
<td>($1,219K)</td>
</tr>
</tbody>
</table>

⁽¹⁾ Represents employee compensation for severance amounts for Company wide restructurings in the first quarters of 2023 and 2022.
Contact
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