THINKIFIC

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

Disclaimer

This presentation is dated February 23, 2022, and has been prepared in connection with the earnings reporting for the period ending December 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.

Disclaimer

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", "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; the development and success of advances in and expansion of our offered platform service; expectations regarding our revenue and the revenue generation potential of our Platform and other products and services; 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 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; our ability to build our market share and enter new markets and industry verticals; the successful development, rollout and integration of the our new features, services and products including, for example, 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.

Greg Smith
CEO

Corinne Hua
CFO

Our formula is working and success is compounding

32.3K
Total Paying Customers
(**+32%** YoY)

$114/month
Average Revenue per User
(**+9%** YoY)

$43.8M
Annual Recurring Revenue
(**+43%** YoY)

$414.8M
FY 2021 Gross Merchandise Value[1]
(**+50%** YoY)

As of December 31, 2021

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(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.

$38.1M
2021 Revenue
(**+81%** YoY)

All metrics in $USD
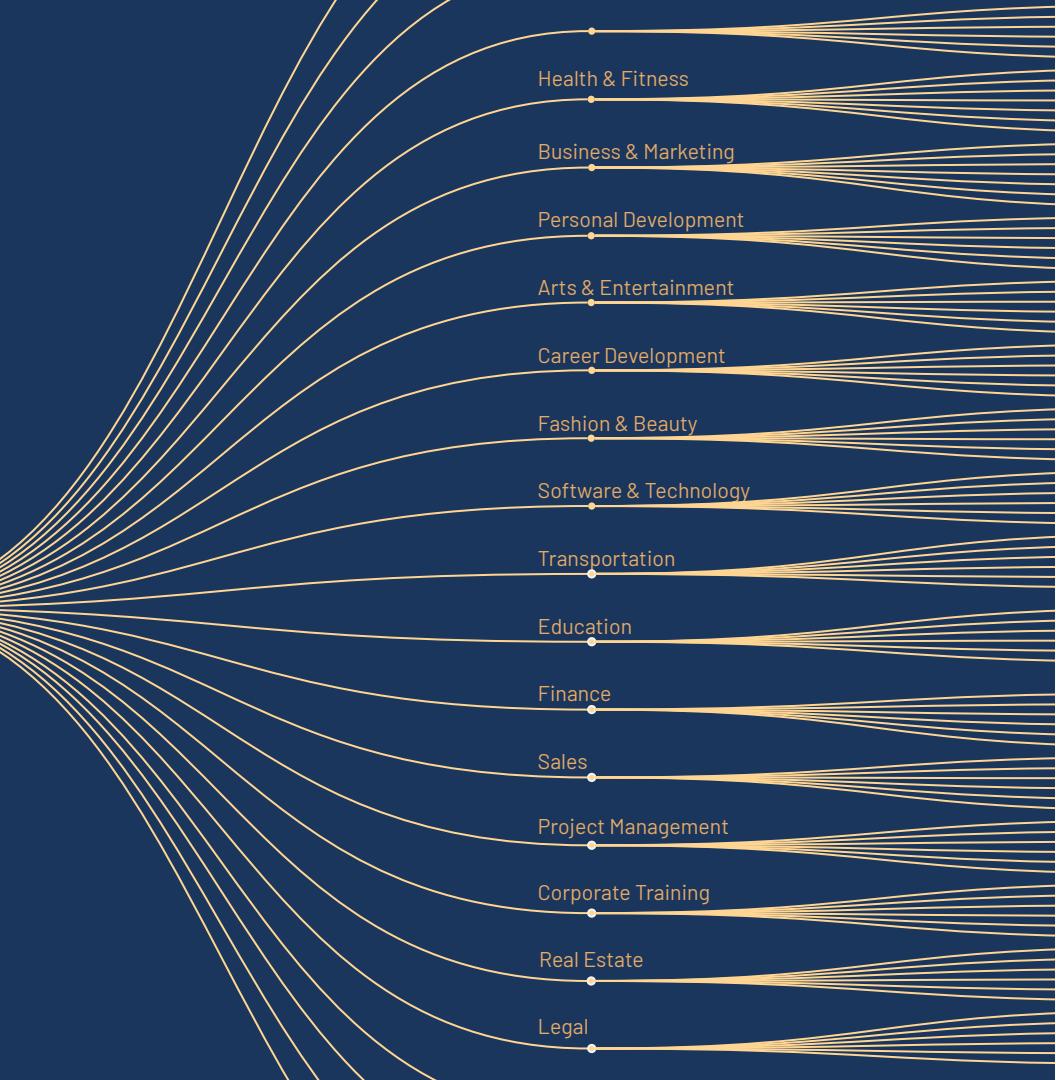
About us

We are the core operating system for your knowledge business

Typeform

Paypal

ActiveCampaign

Intercom

Email & Marketing

Analytics

Custom Domain

Mailchimp

Create Course

Salesforce

Build Website

THINKIFIC

Membership Sites

Certificates

Zoom

Communities

Shopify

Payments

Student Support

Assignments

Zapier

Google Analytics

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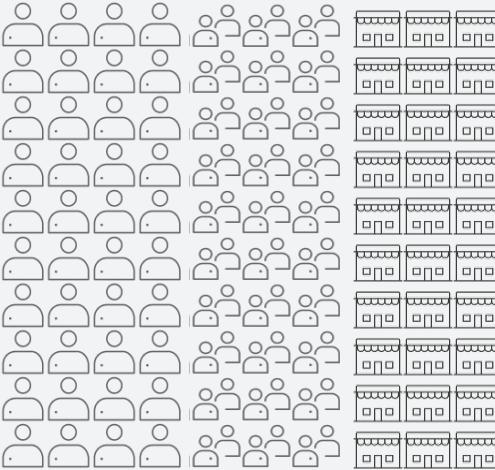
As a horizontal solution, we already serve course creators from virtually every industry and vertical

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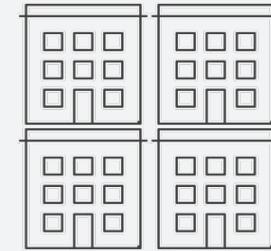
# Any entrepreneur or established business can use education as a tool for growth

Entrepreneurs and SMBs

Enterprise

Rise of the entrepreneur and creator economy

Mass adoption for online learning

The future of work
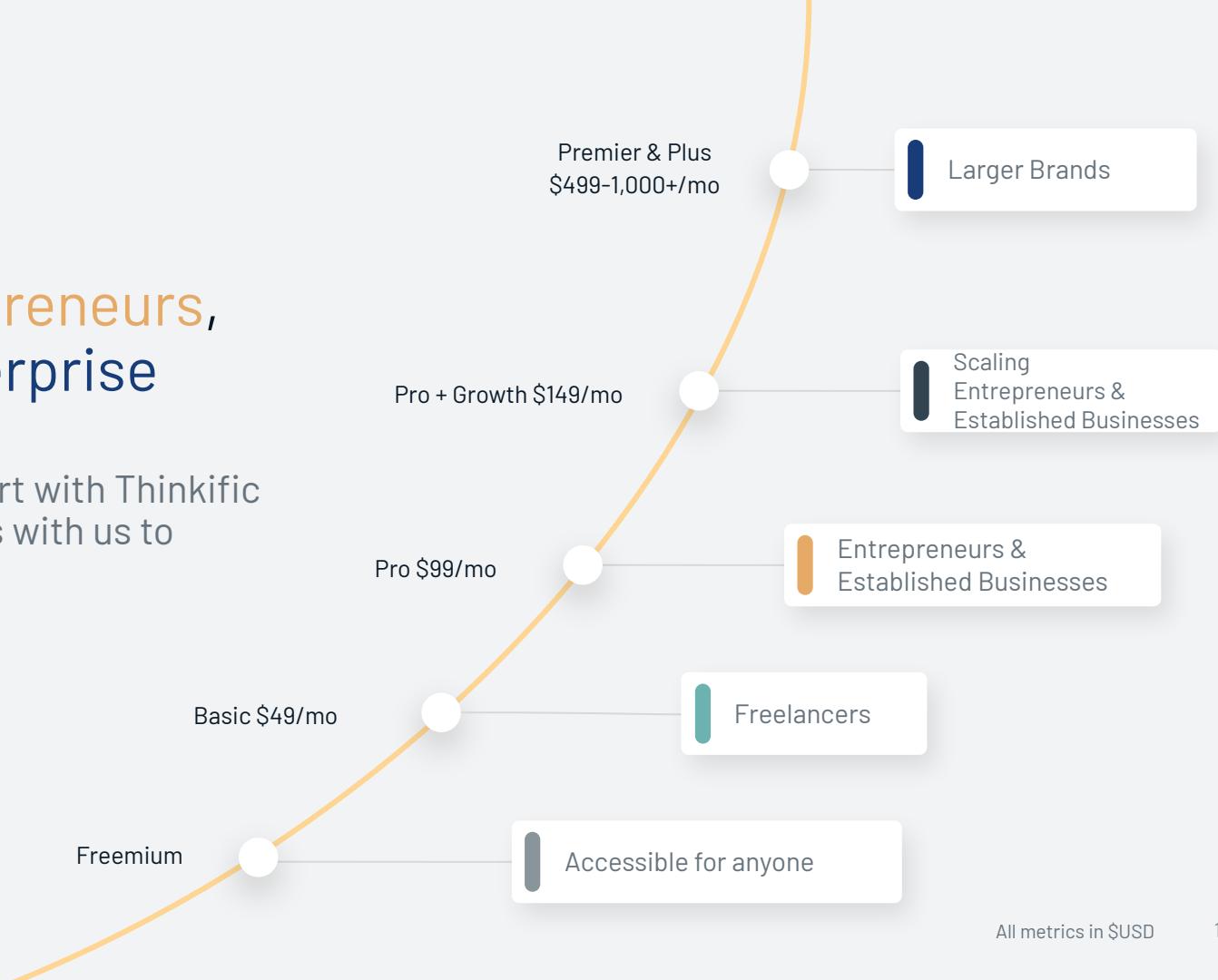
$27.9 – 34B
Thinkific TAM

(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.
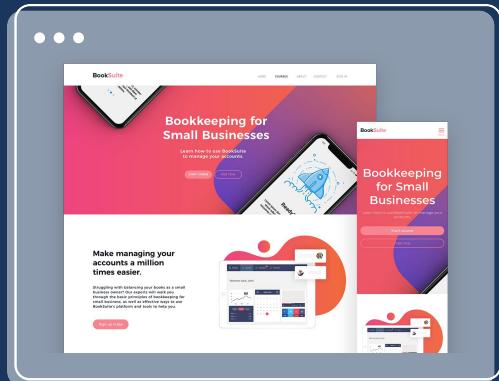
Built for entrepreneurs, trusted by enterprise

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

Premier & Plus
$499-1,000+/mo — Larger Brands

Pro + Growth $149/mo — Scaling Entrepreneurs & Established Businesses

Pro $99/mo — Entrepreneurs & Established Businesses

Basic $49/mo — Freelancers

Freemium — Accessible for anyone
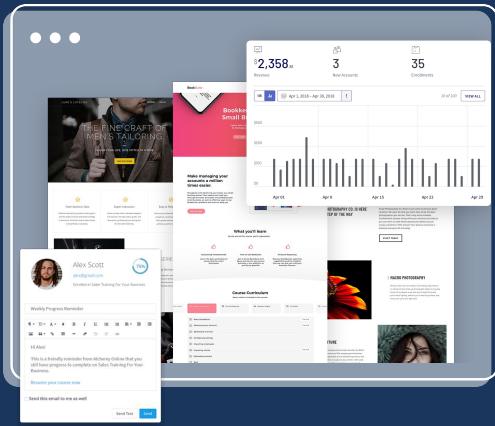
Thinkific succeeds when Creators succeed

Product & Platform Expansion
Thinkific App Store & Thinkific Payments

Creator Success
Plan Upgrades

Core Operating System
Monthly Subscription

Freemium

ARPU increases as customers succeed

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Executing against our strategy

Investing in our differentiated market position

Growing our customer base

Continued innovation to enhance success for our Course Creators

Expansion of Thinkific Payments

Continued expansion of our partner ecosystem

Building for the long term

Gathering top minds in the knowledge economy to educate and inspire digital creators across the globe.

25K+ registrants

110 countries

2x Participants who claimed core offer compared to 2021

AMPLIFY 2022

A new era for creators

Thinkific allows Creators to monetize their audience, and provides the operating system to build and scale their business.

"Thinkific made it really easy for me to grow a **7-figure business in 12 months**. And what I love most of all is **the impact I'm able to have** with my content."

- Kat Norton, Miss Excel

Kat Norton
Chief Excel Officer
Miss-Excel

Product Updates

2021

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Thinkific Payments helping creators scale and manage their businesses

"holy cow, how DELIGHTFUL it is to have unenroll and cancel payments all right there in the user profile! so fast, so easy!!"

Katja Swift, CommonWealth Herbs

"We can finally allow students to add on complementary education products to their order at the point of conversion, like our Continuing Education Credits. This will not only drive more revenue for this business but will also improve the customer experience."

Dr. Rick Hanson in Positive Psychology

Launched in November 2021

$6.4M

of payments processed using Thinkific Payments in Q4 2021

representing

6%

of Q4 Gross Merchandise Value

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The **Thinkific App Store** is empowering Creators to connect and customize their learning products

Launched in May 2021

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Take your courses further with the Thinkific App Store.
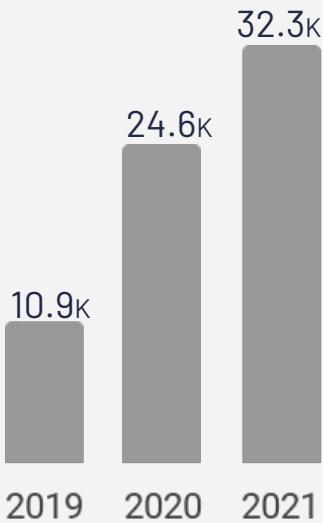
@thinkific

Results

Q4 2021
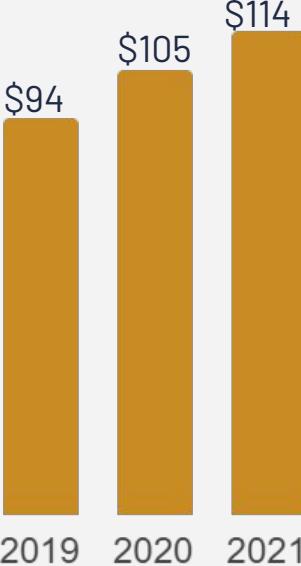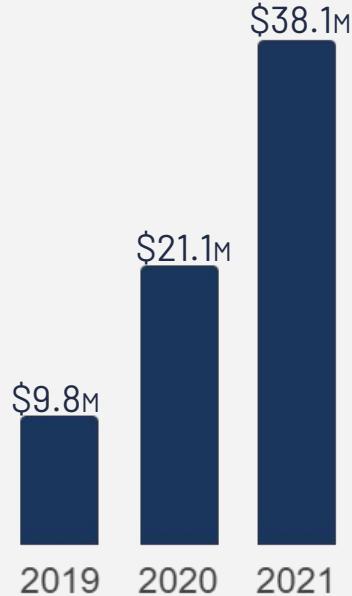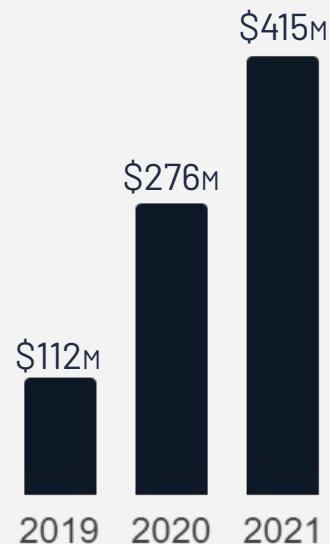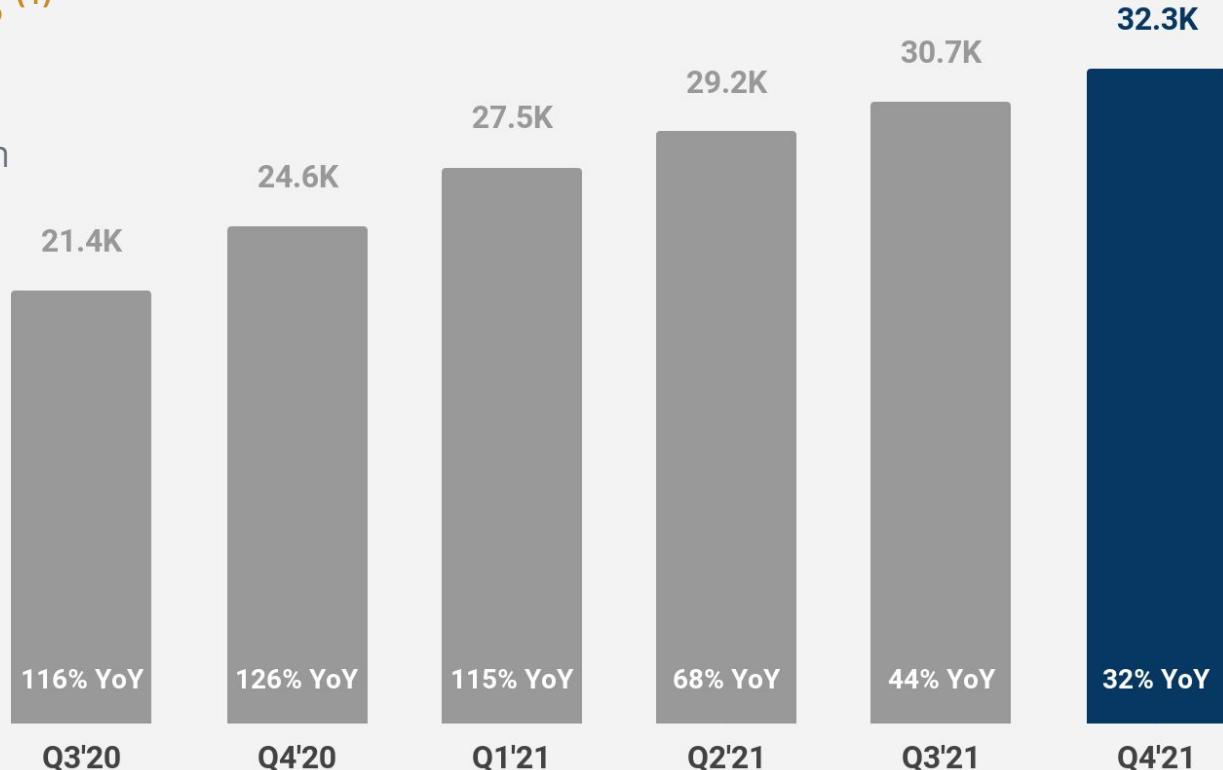
Paying Customers [(1)]

Large & growing market

Innovative & attractive platform

+73% *2019-2021 CAGR*

21.4K	24.6K	27.5K	29.2K	30.7K	**32.3K**
116% YoY	126% YoY	115% YoY	68% YoY	44% YoY	**32% YoY**
Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21

(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.

All metrics in $USD

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ARPU (monthly)[1]

Customer upgrades to higher paid plans

New Thinkific Plus customers

Launch of Thinkific Payments in November 2021

+10% *2019-2021 CAGR*

	$103	$105	$106	$107	$110	$114
	14% YoY	11% YoY	15% YoY	7% YoY	7% YoY	9% YoY
	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21

(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   21

ARR

New Creators on platform

Upgrades to higher paid plans

+89% *2019-2021 CAGR*

$26.3M	$30.7M	$34.8M	$38.1M	$41.0M	**$43.8M**
140% YoY	150% YoY	134% YoY	81% YoY	56% YoY	43% YoY
Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21

(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.

All metrics in $USD

GMV (1)

Growing number of Creators

Increasing customer success

+93% *2019-2021 CAGR*

$80.0M	**$85.6M**	**$107.1M**	**$102.5M**	**$100.5M**	**$104.7M**
170% YoY	155% YoY	156% YoY	48% YoY	26% YoY	22% YoY
Q3'20	**Q4'20**	**Q1'21**	**Q2'21**	**Q3'21**	**Q4'21**

All metrics in $USD   23

Financial Performance

Revenue

Low touch, scalable, product led growth

+97% *2019-2021 CAGR*

Quarter	Revenue	YoY
Q3'20	$6.0M	135% YoY
Q4'20	$7.2M	146% YoY
Q1'21	$8.3M	152% YoY
Q2'21	$9.1M	101% YoY
Q3'21	$9.9M	65% YoY
Q4'21	$10.8M	49% YoY

Adjusted

EBITDA [1]

Upfront investment in growth

($0.0M)   ($0.0M)

($0.5M)

($4.0M)

($6.3M)

($8.7M)

| Q3'20 | Q4'20 | Q1'21 | Q2'21 | Q3'21 | Q4'21 |

All metrics in $USD

Delivered strong results in 2021...

Delivered growth across all KPIs	Continued product innovation	Scaling to support future growth

2019-2021 CAGRs

Paying Customers +73%
ARR +89%
ARPU +10%
Revenue +97%

Thinkific Payments
Thinkific App Store
New Thinkific Plus Features
Continuous Platform Innovation

Enhanced Executive Team
Significant investment across all areas of the business

...building on exceptional 2020 growth

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

Product innovation driven growth

Evolving go-to-market strategy

The right mindset, team, and culture

THINKIFIC

Q1 Guidance Discussion

Thinkific is at the centre of the knowledge economy, and gives businesses everything they need to build, market, and sell online courses and other learning products, and to run their business seamlessly under their own brand, on their own site.

In 2021, Thinkific achieved growth across all our KPIs, driven by the continued adoption of its platform, and customers finding success with their learning products.

Our expectations for Q1 2022 are:

- Revenue of **$11.6 – $11.8 million**, representing year-over-year growth of 40% – 42%
- Adjusted EBITDA[1] loss in the range of **$10.2 million to $10.8 million**

In 2022 and beyond, Thinkific believes its growth will also be fueled by:
- our large and growing TAM
- broadening and deepening our ecosystem
- the launch of new products
- increasing adoption of Thinkific Payments, as well as
- increased effectiveness in sales and marketing.

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.

KPI 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 and twelve months ended December 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	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21
Net loss	**(113K)**	**(376K)**	**(987K)**	**(5,313K)**	**(10,675K)**	**(9,401K)**
Stock-based compensation (1)	183K	213K	259K	1,146K	1,248K	1,470K
Depreciation	135K	140K	141K	144K	146K	180K
Foreign exchange (gain) loss (2)	(238K)	12K	(3K)	59K	3,135K	(878K)
Finance expense (3)	9K	10K	10K	(50K)	(111K)	(94K)
Transaction-related costs (4)	0K	0K	94K	21K	0K	0K
Adjusted EBITDA	**(24K)**	**(1K)**	**(485K)**	**(3,994K)**	**(6,258K)**	**(8,723K)**

(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

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