

Company Overview

Summer 2020

Safe Harbor

This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We have tried, whenever possible, to identify these forward-looking statements using words such as "**anticipates**," "**believes**," "**estimates**," "**continues**," "**likely**," "**may**," "**opportunity**," "**potential**," "**projects**," "**will**," "**expects**," "**plans**," "**intends**" and similar expressions to identify forward looking statements, whether in the negative or the affirmative. These statements reflect our current beliefs and are based upon information currently available to us. Accordingly, such forward-looking statements involve known and unknown risks, uncertainties and other factors which could cause our actual results, performance or achievements to differ materially from those expressed in, or implied by, such statements.

These risks, uncertainties, factors and contingencies include, but are not limited to: reduction of per pupil funding amounts at the schools we serve; inability to achieve a sufficient level of new enrollments to sustain our business model; failure to enter into new school contracts or renew existing contracts, in part or in their entirety; failure of the schools we serve or us to comply with federal, state and local regulations, resulting in a loss of funding, an obligation to repay funds previously received or contractual remedies; governmental investigations that could result in fines, penalties, settlements, or injunctive relief; declines or variations in academic performance outcomes of the students and schools we serve as curriculum standards, testing programs and state accountability metrics evolve; harm to our reputation resulting from poor performance or misconduct by operators or us in any school in our industry and/or in any school in which we operate; legal and regulatory challenges from opponents of virtual public education or for-profit education companies; discrepancies in interpretation of legislation by regulatory agencies that may lead to payment or funding disputes; termination of our contracts, or a reduction in the scope of services with schools; failure to develop the career readiness education business; entry of new competitors with superior technologies and lower prices; unsuccessful integration of mergers, acquisitions and joint ventures or an inability to achieve the expected benefits of such transactions, failure to further develop, maintain and enhance our technology, products, services and brands; inadequate recruiting, training and retention of effective teachers and employees; infringement of our intellectual property; disruptions to our Internet-based learning and delivery systems, including but not limited to our data storage systems, resulting from cybersecurity attacks; misuse or unauthorized disclosure of student and personal data; and other risks and uncertainties associated with our business described in the Company's filings with the Securities and Exchange Commission.

Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that the expectations will be attained or that any deviation will not be material. All information in this presentation is as of today's date, and the Company undertakes no obligation to update any forward-looking statement to conform the statement to actual results or changes in the Company's expectations.



Our Mission: We help learners of all ages reach their full potential through inspired teaching and personalized learning

Education for Any ONE

Education Is Not Working For Many Students

Societal issues of safety, well being, or equitable access impede student learning in traditional public schools

Many students feel unsafe at school



Of students report feeling unsafe at school and 20% report being bullied

Inequitable support across the nation



Less funding received by highest poverty districts and 59% of rural communities have no alternative public school options

Outcomes aren't positive for everyone

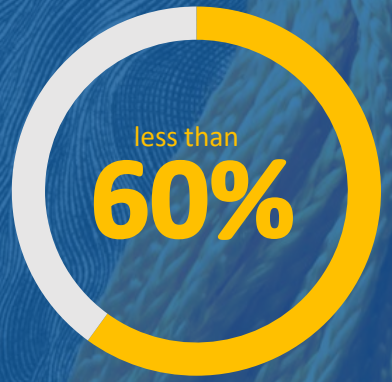


Of students either drop out of high school or are unemployed upon graduation

College Education Is Not Right For Everyone

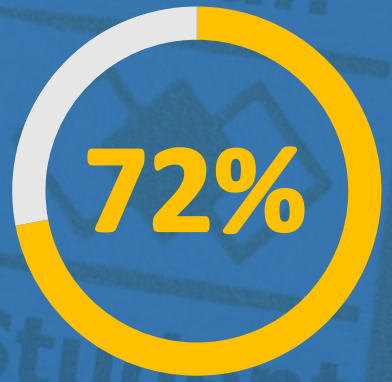
College students are being left with debt as the cost of attending continues to increase – students who don't graduate are saddled with payments even without a degree

Students are not finishing on time



Of college freshman graduate with a bachelor's degree within 6 years

Community colleges are failing students



Of community college students don't graduate in 2 years

Student loan burden continues to rise

$1.6 Trillion

In loan debt held by students and graduates in the U.S.

Education Is Not Preparing Students For Careers

Primary and secondary schools are failing to give students the skills and resources they need to succeed in the workplace

Students don't feel prepared



Of young people felt their schools failed to fully prepare them for the professional world

Applicants are lacking correct skills



Of U.S. employers say applicants lack the hard skills or human strengths their roles require

Careers are slow to develop

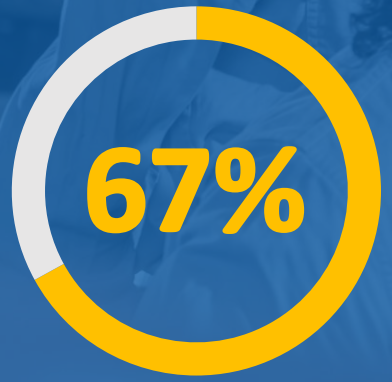


Of young adults are failing to successfully launch their careers due to lack of skills

Education Is Not Working For Employers

Workforce demands are changing, and employers are struggling to find talent – Even with **$164B** in annual private sector spending on employee training and development, the skills gap continues to grow

Employers are struggling to hire



Of employers cannot find qualified talent

Labor shortages are costly

$1.2 Trillion

In lost economic output over the next decade due to worker shortages

IT-related jobs are especially hard to fill

~1.0 Million

IT jobs went unfilled due to demand exceeding supply of qualified workers

K12 Solves The Gaps In Today's Education System

Providing a suite of solutions for lifelong learning which supports both students and employers



General Education Solutions

Kindergarten – 12th grade full/part-time online and blended schools

Courseware and teacher solutions



Career Exploration and Pathways

Mid-High School Career Education

Entry-level certifications



Adult Career Development

Immersive training

Consumer Upskilling / Retraining

Job Placement Services



Enterprise Workforce Solutions

Corporate Upskilling / Retraining

Recruitment / Placement

Career data tracking & analysis

GENERAL EDUCATION FOR STUDENTS K-12

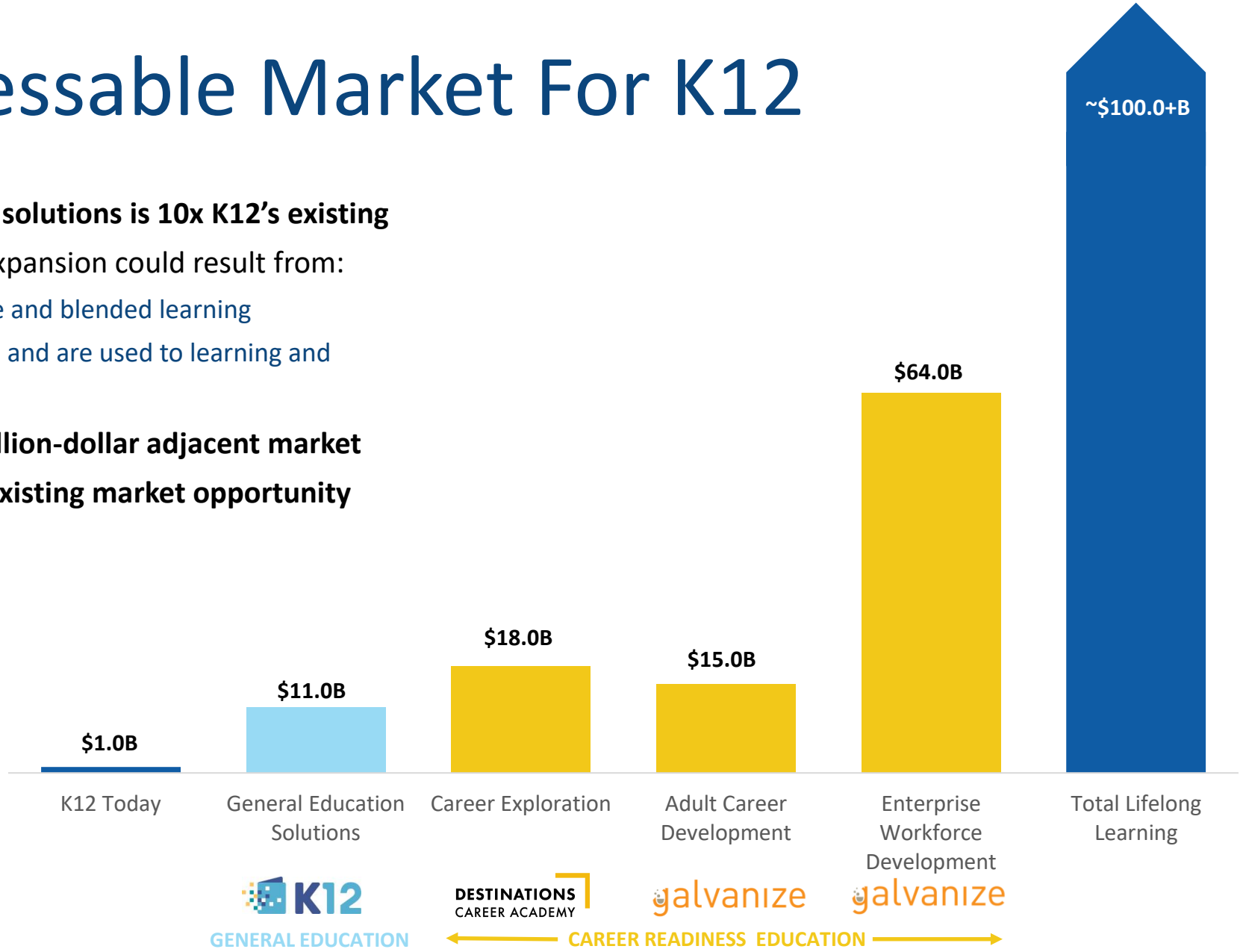
CAREER READINESS EDUCATION FOR BOTH STUDENTS AND EMPLOYERS

Total Addressable Market For K12

Market for general education solutions is 10x K12's existing revenue - additional market expansion could result from:

- Increased acceptance of online and blended learning
- Parents are now digital natives and are used to learning and getting information online

Career Readiness is a multi billion-dollar adjacent market that more than triples K12's existing market opportunity



Above chart for general education and career exploration calculated as number of potential students multiplied by K12's revenue per enrollment for FY 19

Financial Results

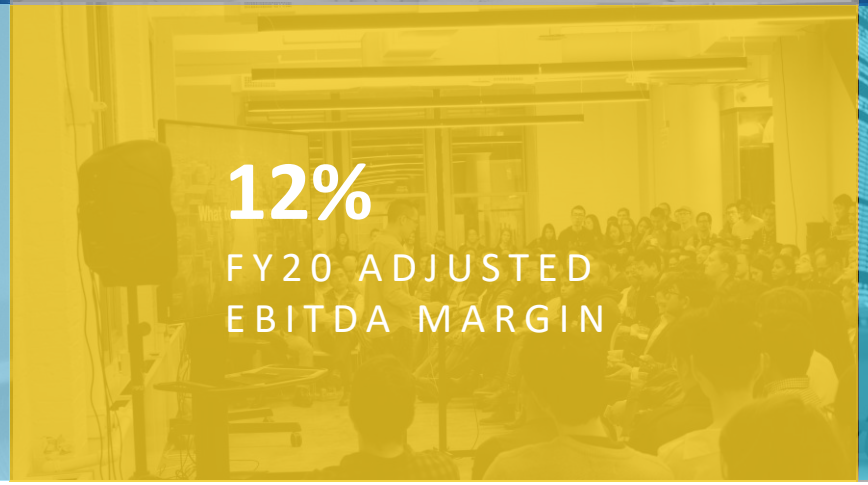
Strong financial and operating performance for K12 supports organic and inorganic growth opportunities













CAGR is 4-year average. Free cash flow and capital statistics represents FY17-FY20 average. See appendix for reconciliations to GAAP.



General Education

What Is K12's General Education Solution?

A 'digital first' curriculum, 'mobile ready' platform and service suite to support the unique needs of online and blended education in all grades and all subjects



General Education

Online and blended learning solutions for public and private school districts, charter schools and direct-to-consumer learning needs

$900+M Revenue*

All other General Education

K12-powered schools: full-time online and blended public schools

Customers: school districts and charter schools

Revenues: ~90% of General Education business

1+M
STUDENTS ENROLLED SINCE 2000

70+
K12-POWERED SCHOOLS – AVG. 2 PER STATE

109+K
FULL-TIME STUDENTS ENROLLED IN FY20

30+
STATES WITH SCHOOLS COVERING OVER 70% OF K-12 POPULATION

5 YEARS
AVERAGE CONTRACT LENGTH FOR SERVICES PROVIDED TO K12-POWERED SCHOOLS

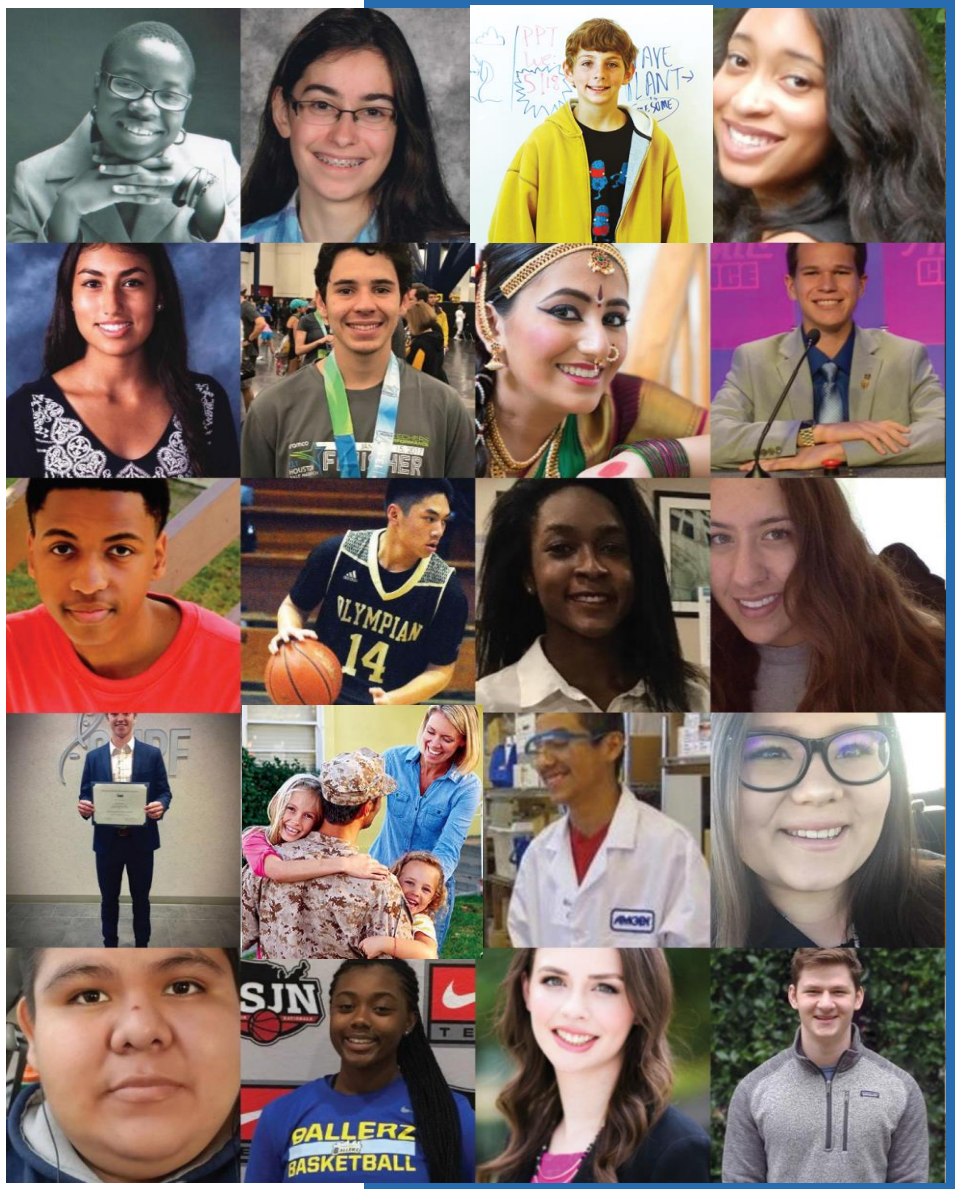
5,000+
STATE CERTIFIED TEACHERS

** Revenue for FY20*

Why Students Choose a K12-Powered School

Over 110,000 Students. Over 110,000 Reasons.

- Traditional school not the right fit
- Advanced Learner
- Bullying
- Negative social experience
- Working student
- Athlete
- Artist
- Military family
- Religion
- Health Issues
- Special Education
- Need to Catch up Academically
- Struggling
- Gifted & Talented
- Rural, Urban, Suburban
- Special Needs
- Home-bound
- Need Discipline
- Behavioral/Social Issues
- Mobile Family
- Seeking 1:1 Instruction
- Private School
- Home School
- More than 99,977 other reasons



Competitive Positioning

High barriers to entry limit nationwide competition for K12-Powered General Education schools

- **Large investment** in high-quality platform, curriculum and educational services to support all grades and subjects
- Significant back office, marketing/enrollment, public affairs and other **administrative infrastructure** required
- Depth of **experience working with independent boards** to open and operate schools
- Investment required to fund schools and **major working capital requirements**



Student Success

Over 50,000 Students Have Graduated From K12-Powered Programs with Students Having Attended all 8 Ivy League Schools





Career Readiness

Career Readiness

K12 addresses the Career Readiness Education market with two distinct brands

DESTINATIONS CAREER ACADEMY

Mid-High School Students – Early Career

Provides career exploration, pathways and hands-on experience to help students prepare for college and 21st century careers

galvanize

Adult Career Dev./ Enterprise Workforce

Develops talent and capabilities for individuals and corporations in technical fields such as software engineering and data science

Destinations Career Academy

A comprehensive career readiness solution for AnyONE

PATHWAYS & CURRICULUM

Provide electives in industry-relevant career fields using web-based, collaboration tools, interactive models and simulations

WORK-BASED EXPERIENCES

Introduce students to various careers, workplaces and professionals through DCA partnerships and opportunities

TEST AND CERTIFICATION PREP

Provide students with opportunities to test and earn industry certifications and/or enroll in dual credit programs



PROJECT BASED INSTRUCTION

Highly-trained teachers use a project-based learning approach, including in-person and virtual hands-on experiences and support

PROFESSIONAL SKILLS TRAINING

Deliver collaborative environment for students to work on projects that develop learning in several career areas

PARTNERSHIPS

Provide job shadow and internship opportunities to students in their local areas through DCA Partnerships

Destinations Career Academy

Relevant pathways deliver on real world needs and trends – 5 major pathways represent highest job demand over next decade



INFORMATION TECHNOLOGY

- Programming
- Game & Design Programming
- Networking
- Cybersecurity
- Web & Digital Communication
- Digital Design



HEALTH & HUMAN SERVICES

- Medical Assisting
- Dental Assisting
- Certified Nursing Assistant
- Pharmacy Technician
- Sports Medicine
- Medical Billing & Coding
- Medical Transcription
- Education & Training
- Legal & Law Enforcement



BUSINESS ADMINISTRATION

- General Mgmt.
- Administrative Support
- Business Finance
- Accounting
- Entrepreneurship
- Marketing Communication
- Hospitality: Food & Beverage



MANUFACTURING & THE TRADES

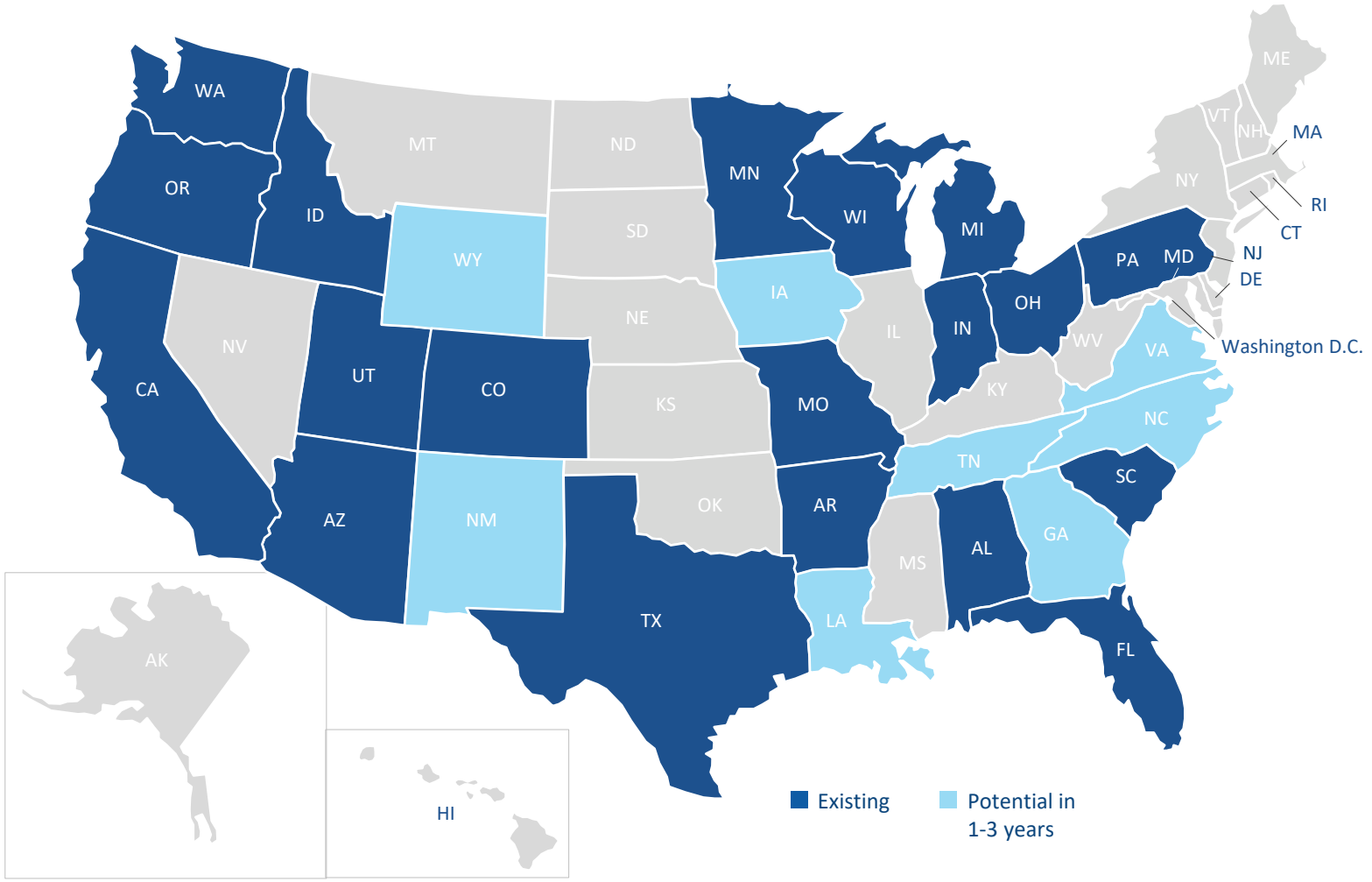
- Engineering / Technology
- Advanced Manufacturing
- Heavy Machine Operations PA



AGRICULTURE, FOOD & NATURAL RESOURCES

- Technical Systems
- AgriBusiness
- Food Processing & Production

Destinations Career Academy



Nationwide Scope

13+K

STUDENTS ATTENDED ACADEMIES IN FY20 – 90+% GROWTH Y/Y

24

ACADEMIES IN FY21 INCREASING BY 2-5 OVER NEXT FISCAL YEAR

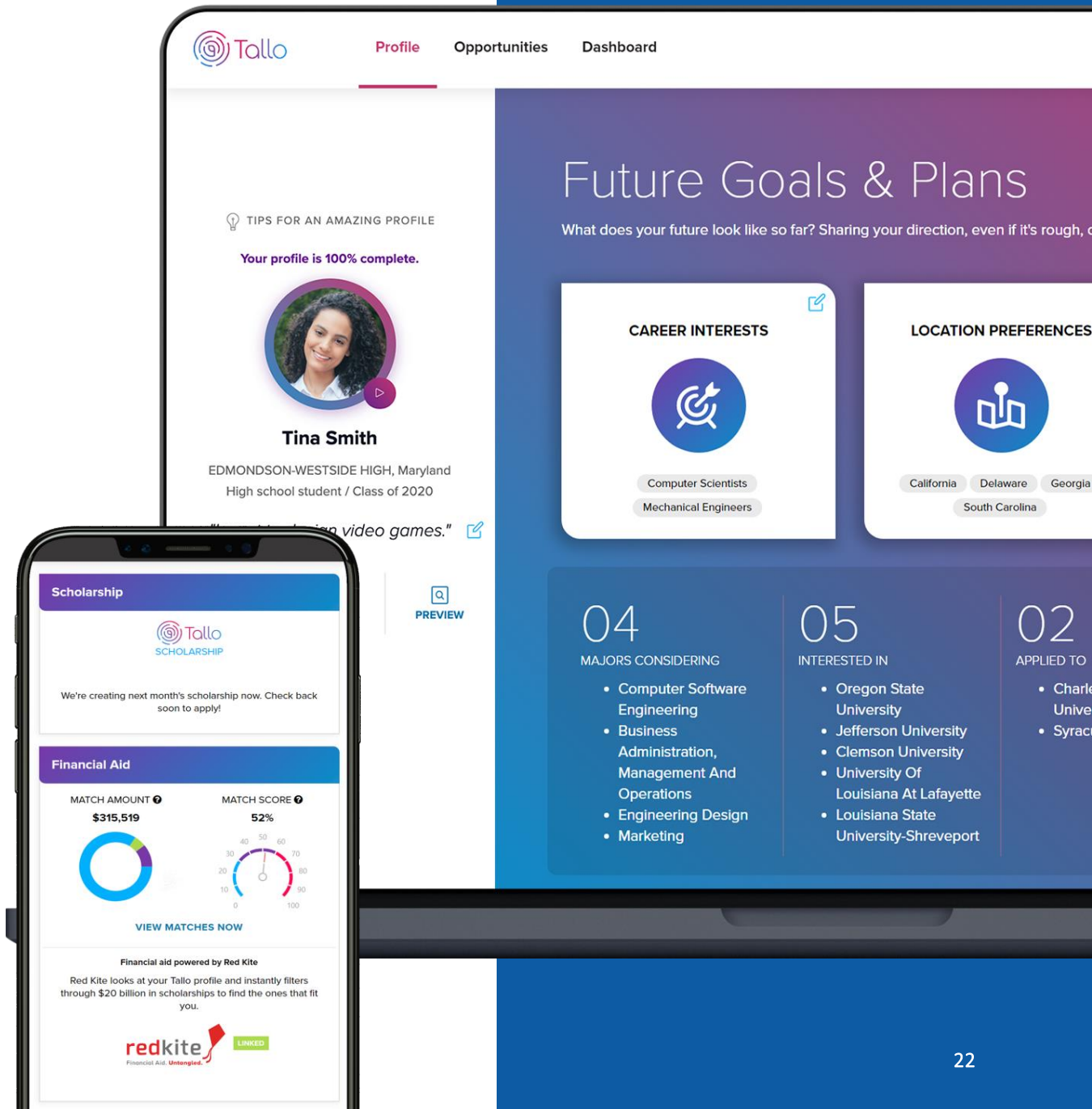
60+%

OF U.S. HIGH SCHOOL STUDENTS HAVE ACCESS TO A DESTINATIONS CAREER ACADEMY PROGRAM

Tallo

Tallo is a web-based **networking platform** that connects talent with employers and colleges across the country.

Over **1M+** high school and post-high school users, from **27K+ high schools, and 4.2K+ colleges** are already a part of the Tallo system.



Galvanize



Consumer education

- **Immersives** in Software Engineering and Data Science
- **Delivery modalities** of full-time in person, full-time remote, and part-time remote
- **Readiness programs** to prepare individuals via workshops, webinars, and prep courses



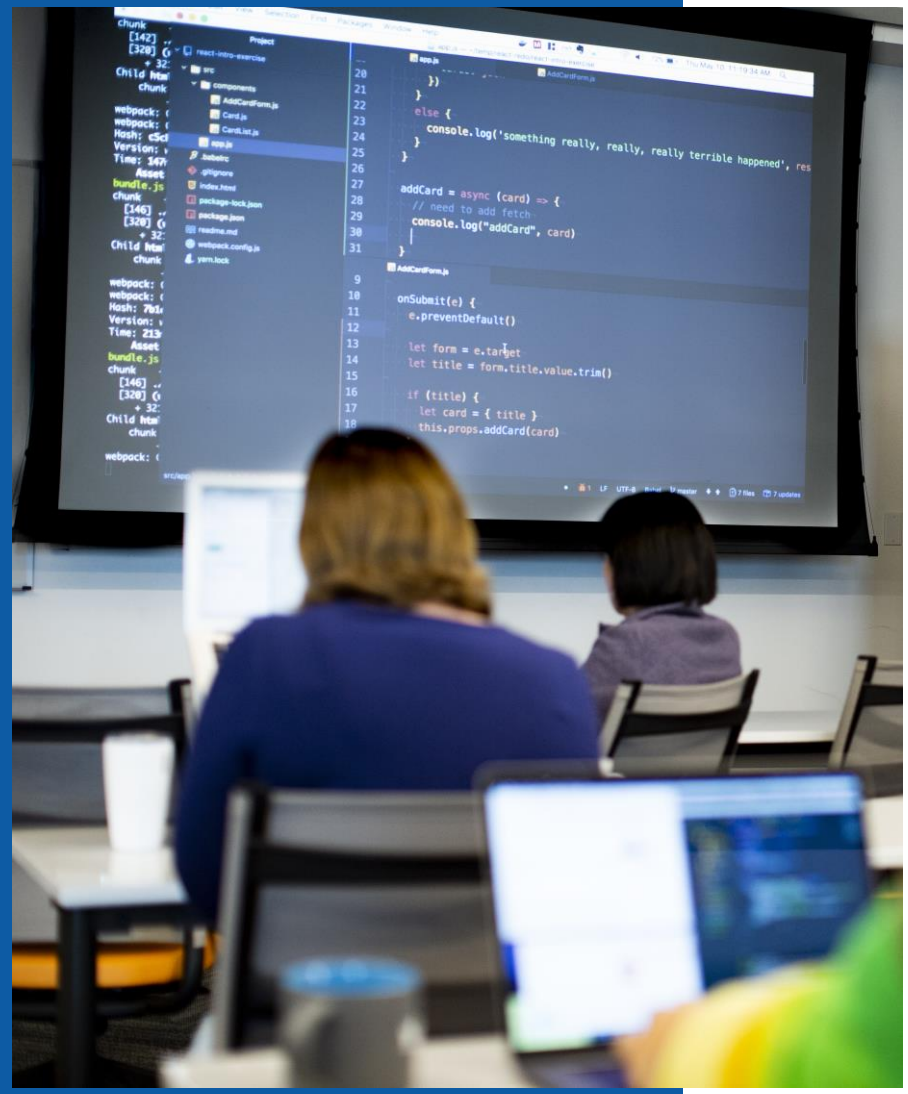
Enterprise training

- **Upskilling or reskilling** programs customized to the needs of each client
- **Executive workshops** crafted for organizations undergoing digital transformations
- **Talent sourcing** to deliver technical talent for Fortune 500



Membership

- **Co-working** space for technology startups of all sizes via seats, suites, and desks
- **Mentorship** from experienced entrepreneurs to our Members
- **Events** to expand presence in our community and generate leads for our bootcamps



Galvanize

One of the Top 10 Data Science Bootcamps*

8+K

GRADUATES SINCE 2012

50%

FORTUNE 100 COMPANIES HAVE HIRED GALVANIZE GRADUATES

2+K

ENTERPRISE EMPLOYEES TRAINED / UPSKILLED

2,250+

COMPANIES HIRING GALVANIZE GRADUATES, ALL TIME

1st

DATA SCIENCE BOOTCAMP; JAVASCRIPT BOOTCAMP; IT TRAINER FOR SOLDIERS MOVING TO CIVILIAN LIFE

80+%

GRADUATES HIRED WITHIN 6 MONTHS OF GRADUATION

** Course Reports - 2019 Data Science Bootcamps*

Galvanize - Enterprise

Re-skilling or cross-skilling enterprise workforces and hiring, training and placing learners within those organizations



Talent Development Courses
Designed to drive business value with industry proven methodologies and business relevant curriculum to level up enterprise technical talent



Executive Workshops
Equips leaders and executives with the Data Science, Cloud, and Agile skills needed to guide tomorrow's technology teams



Talent as a Service
For large-scale hiring needs where talent is hard to find, Galvanize fills talent pipeline with trained personnel



Learn Platform
Enables automated talent assessment at-scale, continuous self-paced upskilling, and detailed visualization by student and by topic

Allstate
USAA
Capital One
BOEING
ally
AUTODESK
Cognizant
McKESSON
IBM
REFINITIV
bp
GLOBO
MTY digital HUB
Berkeley
State Farm

Career Readiness: Growth Strategy

Multi-faceted Strategy to Build the Career Readiness Business



Expand Destinations Career Academies

Increase number of schools to 30+ over next 2-4 years

Career Planning Tools

Virtual Portfolio

Recognition / Badging



Drive Immersive Growth

Expand physical locations and use of remote learning

Leverage ISAs to broaden reach

Increase awareness through marketing and PR



Increase Enterprise Partnerships

Leverage K12 relationships and Tallo partnerships

Scale talent development courses

Increase internship & direct-to-career opportunities for all learners



Explore New Opportunities

New capabilities in the IT, healthcare & business segments

Placement and recruitment services



Investment Summary

- Leading education services platform
- Large addressable markets with compelling market trends
- Solid core general education business generating significant free cash flow
- High growth-higher margin career readiness business
- Strong balance sheet supports ongoing organic / inorganic growth opportunities


K12



Appendix

Reconciliation to GAAP Financials

	Year Ended June 30,			
	2020	2019	2018	2017
		(thousands)		
Income (loss) from operations	$ 32,457	$ 45,486	$ 25,545	$ 13,129
Stock-based compensation expense	23,609	16,676	20,817	22,598
Adjusted operating income	56,066	62,162	46,362	35,727
Depreciation and amortization	72,091	71,400	75,260	74,280
Adjusted EBITDA	$ 128,157	$ 133,562	$ 121,622	$ 110,007

	Year Ended June 30,			
	2020	2019	2018	2017
			(thousands)	
Net cash provided by operating activities	$ 80,415	$ 141,606	$ 105,446	$ 88,728
Purchase of property and equipment	(1,677)	(5,477)	(8,743)	(2,174)
Capitalized software development costs	(23,988)	(26,318)	(24,533)	(26,918)
Capitalized curriculum development costs	(19,332)	(16,611)	(9,927)	(19,132)
Free cash flow	$ 35,418	$ 93,200	$ 62,243	$ 40,504

References

Slide 4:

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Slide 5:

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- Community Colleges: http://ncee.org/2013/05/statistic-of-the-month-comparing-community-college-completion-rates/
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Slide 6:

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Slide 7:

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