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TRANSCRIPT OF JUNE 4, 2021 WEBINAR
DISCUSSION CONCERNING CHURCHILL CAPITAL CORP
II MERGER WITH SKILLSOFT

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MR. JANNARONE: Good morning,
and thank you for joining. I'm John
Jannarone, the editor in chief of IPO
Edge. We have an exciting event
today with two great guests. While
the audience is populating, I would
just like to remind everyone that you
can very easily ask questions, and
that's what makes these events so fun

11 and interesting.
12 So you can do that most simply
13 through the portal there on Zoom,
14 alternatively, you can shoot an
15 e-mail to editor@ipo-edge.com. Today
16 we are going to have Jeff Tarr, the
17 CEO or the incoming CEO, I should
18 say, of Skillsoft along with Larry
19 Illg, who is the CEO of Prosus,
20 EdTech and Food, which is a very very
21 major investor in the company, which
22 is going to go public of course
23 through a merger in the SPAC
24 transaction.
25 I'd also like to point out that

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2 if you miss part of the event today,
3 you can watch a replay, which we will
4 have up in just a couple of hours
5 later this afternoon, and I think
6 with that, it is time to introduce
7 Larry Illg, again, who is the CEO of
8 Prosus EdTech and Food.

9 Larry, thanks so much for
10 joining.

11 MR. ILLG: Thanks for having
12 me.

13 MR. JANNARONE: So, Larry, you
14 were in the news this week already.
15 So a lot of action for you at Prosus,
16 you've announced a big transaction,
17 almost \$2 billion, a big EdTech
18 acquisition. But can you just
19 introduce Prosus for those who aren't
20 familiar, tell us what your firm does
21 and what you see going on in the
22 EdTech space.

23 MR. ILLG: Yes, absolutely. So
24 we're a global consumer internet
25 group and one of the world's leading

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2 technology investors. We're listed
3 on the Euronet and are the largest
4 internet company in Europe, with the
5 market cap of, you know, 180, 190
6 billion.

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8 People tend not to know our
9 group, because we don't operate
10 consumer brands, but you might know
11 some of the companies that we're
12 involved with. We typically invest
13 in high gross sectors, spanning
14 things like food delivery, online
15 classifieds, payment and Fintech, and
16 obviously, what we're here to talk
17 about today, EdTech.

18

19 And at EdTech, our portfolio
20 includes some brands, global brands
21 that folks may know, you know,
22 Brainly, Udemy, Biduce (ponetic),
23 Code Academy, you alluded to Stack
24 Overflow and, obviously, Skillsoft.
25 And all of these businesses serving a
26 variety of societal needs.

27

28 And stepping back from those

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2 companies, you know, we -- broadly
3 speaking, we look to invest in
4 technologies to both transform big
5 societal needs. Our portfolio
6 companies already cover, roughly, a
7 fifth of the world's population. And
8 we see a path to double that as the
9 world continues to move online.

10

11 It's a transition that,
12 obviously, has been accelerated by
13 COVID. And we foster long-term
14 relationships with our portfolio
15 companies. Again, we don't put

15 ourselves in the front, but rather
16 win through them. We have a
17 long-term investing horizon and have
18 the scale and this long-term outlook
19 to support businesses throughout
20 their life cycle.

21 MR. JANNARONE: All right.
22 Great, so let's talk about Skillsoft
23 a little bit. What attracted you to
24 this business and what is so exciting
25 about it?

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2 MR. ILLG: Yes, so you know,
3 it's, education, again, we've got
4 quite a few investments and a lot of
5 capital employees, it's a massive
6 opportunity. And I think the
7 interesting things about Skillsoft
8 itself, it really starts with the
9 presence in the relationship that
10 Skillsoft has with its enterprise
11 clients.

12 And these are very hard clients
13 to reach. And they have
14 relationships, really good strong
15 relationships that span decades,
16 longer than a lot of EdTech companies
17 have been in operation. They've got
18 deep relationships with the
19 enterprise that span that long. And
20 very strong leadership positions in
21 things like compliance training,
22 things like leadership development
23 training, and really emerging
24 presence, strong presence still in
25 tech & dev, as well as, you know,

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1
2 the company has been doing a lot of
3 the right things. Specifically as it

4 relates to team and, you know,
5 pleased to get to know Jeff over the
6 recent, you know, months. And also
7 the technology platform in Percipio.
8 So I think there's a strong
9 foundation to build on, and also the
10 investments will accelerate growth in
11 the future.

12 MR. JANNARONE: Great. Now, of
13 course the investment is very sizable
14 that you're making, and, of course,
15 that's going to help the company as
16 it continues to grow. But are there
17 strategic advantages to having Prosus
18 as a partner? What kind of advice
19 can you give as you know your
20 perspective in the market involved in
21 other companies. How does that help
22 Skillsoft?

23 MR. ILLG: Yeah, this is when
24 we're typically a pretty shy company
25 so we don't -- I've always rather

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2 hopefully over time Jeff and the team
3 will learn more and more about us and
4 where we can help. I usually like
5 our entrepreneurs to talk positively
6 about us versus putting ourself at
7 the forefront.

8 But I can tell you what other
9 entrepreneurs in our portfolio have
10 talked about. And first, it helps to
11 have an anchored investor. It just
12 stabilizes the cap table and can also
13 -- we have a long horizon, and, you
14 know, we're not, you know, no
15 judgment on those who have a shorter
16 horizon or take training positions,
17 but that's not what we do. We're
18 thesis driven. We have big ambitions

19 for this, you know, ten trillion
20 dollar sector.
21 So we want to support companies
22 in building enduring businesses. And
23 what that means practically, I'll
24 point to two things that folks often
25 call out.

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2 One will be just really mundane
3 things, not sexy things about
4 building companies but things that
5 matter to CEOs. We can help, as they
6 think about expansion with
7 recruitment, legal issues, tax
8 issues. Because we're not just an
9 investor, we are a global operator of
10 companies.

11 So it's unlikely that an
12 entrepreneur will see a problem that
13 we haven't addressed before, or we
14 can help point them to the right
15 talent. And then probably more
16 interesting is, you know, because we
17 play this role as an investor and
18 operator, we can see new technologies
19 and new opportunities as they emerge,
20 and we can help guide companies.

21 And so, you know, what I see
22 specifically with Skillsoft,
23 especially as they're moving down the
24 tech & dev angle, you know, as they
25 think about things like artificial

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2 intelligence, you know, machine
3 learning, we've got those experts.
4 Either within our corporate layer or
5 within our portfolio of companies
6 that can help, you know, Jeff and
7 team as they navigate that space.

8 So that's -- those are some of
9 the big areas, but it's very -- it's
10 very situation dependant, and we
11 count on the companies themselves to
12 lead and tell us the help that they
13 might need as they build their
14 companies.

15 MR. JANNARONE: Great. We're
16 going to bring Jeff on in a second,
17 and then we're going to have the two
18 of you gentlemen together, and by the
19 way, please submit questions, again,
20 I see some coming in. We're going to
21 get to those in the second half of
22 the hour.

23 But before we do any of that,
24 let's watch a quick video here. My
25 co-editor here, Jared, is going to

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1
2 play that, and it will show you a
3 little bit, give you an overview of
4 the business.

5 You know, as we were talking
6 about earlier, this is a company that
7 is not consumer basing exactly,
8 because your experience with them
9 would probably with your corporate
10 employer, but if you take a look at
11 this, it's going to play for us,
12 you'll see a little bit about the
13 technology.

14 (Video playing.)

15 MR. JANNARONE: All right.
16 Thanks for us that, Jared.

17 And with that, I'm very happy
18 to introduce Jeff Tarr, who is the
19 incoming CEO of Skillsoft.

20 Thank you for joining us, Jeff.

21 MR. TARR: It's great to be
22 here with you, John.

23 MR. JANNARONE: So, Jeff, let's
24 talk a bit about your background.
25 You're not quite a CEO yet, you are

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1
2 incoming, so tell us how you
3 discovered this company and why now?
4 What made you decide to make this
5 move?

6 MR. TARR: Terrific. This is
7 actually my fifth CEO role, my third
8 public company CEO assignment. And
9 the call came in, actually, over a
10 year ago, last May, from Michael
11 Klein and Jerre Stead, and as some of
12 you know, he's the CEO of Clarivate,
13 and I worked for him at his for many
14 years.

15 They called to explain this
16 opportunity to me, and I agreed to
17 jump in, roll up my sleeves and look
18 at it.

19 I had, I'll tell you, I had
20 four criteria, if I was going to take
21 on my fifth CEO job. Number one, I
22 was looking for a very large market
23 with secular tailwinds that would
24 allow us to build a very large
25 company.

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2 Secondly, I was looking for a
3 business that was either an industry
4 leader or that I could transform
5 into, something I've done several
6 times in my career.

7 Thirdly, I was looking for a
8 business with a great business model.
9 Recurring revenue, operating
10 leverage, low capital intensity, high
11 free cash flow conversion. The kind

12 of business that when it grows,
13 creates a lot of value for share
14 owners; much as we did at IHS over
15 many years.

16 Fourthly, I was looking for a
17 company that when it succeeds will
18 make the world a better place. And
19 the reason I'm excited about that is
20 not only the social mission, but also
21 the opportunity to create the --
22 connect the hearts and minds of team
23 members to a big purpose.

24 And what I find is that allows
25 me to recruit a higher caliber of

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1 talent and people work harder and
2 deliver a better result for all share
3 owners. That's why I joined.

4 MR. JANNARONE: All right,
5 great.

6 Now, let's talk a little bit
7 about how the business works. Who
8 are your customers? Like I said,
9 this is not something I am going to
10 sign up for personally. Who are the
11 clients of Skillsoft?
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13 MR. TARR: We served 70 percent
14 of the Global 1,000. So the largest
15 and most sophisticated companies in
16 the world have turned to Skillsoft
17 for many years to educate the
18 workforce.

19 MR. JANNARONE: Great. Let's
20 talk about the competitive landscape.
21 Who else is out there, you know,
22 there's LinkedIn Learning, some
23 other guys, how do you look at them
24 and why is Skillsoft in a better
25 position?

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MR. TARR: Well, first and foremost, we are the only digital corporate learning player that plays in all the major categories of learning.

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And by that I mean, leadership and business skills, compliance in technology training. Together those comprise 80 percent of the spanning.

Our competitors all play in, for the most part, just one of those sectors. So we're in a unique position to be the one stop shop for the enterprise.

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MR. JANNARONE: Great. You know, let's bring Larry back in and have both of you at the same time here. Because I think Larry might want to field some of these questions, too.

Let as you talk about Churchill Capital. You mentioned Michael Klein, who of course we had as guest, with some great fanfare recently

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here, on our program.

Who is Churchill and what kind of strategic benefits might they bring in this transaction? And Larry, you can take that one or Jeff, either one of you.

MR. TARR: Why don't I start and Larry might add to it. You know, we both work with Churchill in a different capacity over the course of nearly a year now.

For me, you know, for me Churchill starts with Michael Klein. Michael was on the board of IHS.

16 He's one of the great investment
17 bankers and deal makers in the world.
18 Excuse me, I'm fighting off a bit of
19 Colorado allergies here.
20 So Michael is -- was
21 instrumental in putting this together
22 and to creating a great entry point
23 for investors. You know, the fact
24 that there's an opportunity now to
25 invest in Skillsoft combined with

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2 Global Knowledge at multiples that
3 are a fraction of our peers is really
4 a testament to Michael and his team
5 at Churchill.

6 MR. JANNARONE: Great. Larry,
7 what is your view on Churchill? How
8 are they going to explain this
9 transaction and what do you like
10 about the folks there?

11 MR. ILLG: Yes, so, you know,
12 we got to know Michael, you know,
13 middle of last year, and really
14 started to compare notes about the
15 sector. And he introduced us, you
16 know, to the opportunity -- obviously
17 I've known Skillsoft for a long time,
18 and he introduced us to the
19 opportunity and I'd really gotten to
20 know Michael and his team over the
21 course of that last year.

22 And, you know, Jeff can speak
23 about it, you know, better than
24 anybody, but I think collectively the
25 three of us have really come together

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2 to help think through the strategy
3 for the company. And not just with

4 regards to this specific transaction,
5 but how to think about the company
6 for the long term.

7 And those were some of the
8 things that -- what I think we found
9 very quick alignment around the, not
10 just the sector potential but just
11 the wonderful starting point that is
12 Skillsoft and what can be built from
13 here.

14 MR. TARR: And what I've really
15 valued is this collaboration between
16 Prosus and Churchill and the incoming
17 management team at Skillsoft.

18 Because what we've done is
19 together crafted the strategy to
20 create the unrivaled leader in
21 corporate digital learning, and that
22 includes aligning on a pipeline for
23 M&A partnership opportunities to
24 expand our business, to deliver more
25 value to customers and drive growth.

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2 We've done that together and
3 that's going to allow us to hit the
4 ground running, how to close, and to
5 keep running fast.

6 MR. JANNARONE: Great. Larry,
7 I want to ask you a quick question
8 about valuation. You know, in the
9 SPAC landscape right now, of course a
10 lot of companies have had a tough
11 time because you're basing valuations
12 on revenue that are several years
13 out.

14 What I like and found
15 interesting about this business is
16 it's very profitable right now. So
17 can you tell us how you look at it in
18 terms of valuation?

19 MR. ILLG: Yeah, I guess this

20 is a unique transaction on a couple
21 of dimensions, right? You're looking
22 at, you know, a cash generative asset
23 and meaningfully so and at a large
24 scale on the EdTech space. So ignore
25 the SPAC piece for a moment, just

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2 within EdTech this is in many ways a
3 unicorn on that dimension, you know,
4 meaningful revenue, meaningful cash
5 flow. But also on a SPAC context.
6 This is not, you know, sort of fly by
7 night, you know, futuristic
8 technology.

9 This is a company that is here
10 and now, that happens to be going
11 public via SPAC. And I think that's
12 an important bit of context here to
13 sift through all the noise around a
14 SPAC market these days and say, look,
15 what you have here at the core is a
16 very strong asset. And I think folks
17 are going to see this once it
18 actually goes to market.

19 MR. JANNARONE: That's great.
20 Jeff, let's dig into some of the nuts
21 and bolts of the business itself.

22 Can you talk to us about
23 Percipio and why it's important?

24 MR. TARR: Sure. Percipio is
25 the platform that delivers our

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2 content. So if you think about your
3 experience with Netflix, there's two
4 major components as a consumer.
5 There's the content and there's the
6 delivery platform.

7 Percipio is our delivery

8 platform. It is best in class, it is
9 driven by AI, it creates a really
10 powerful and engaging learning
11 experience.

12 MR. JANNARONE: That's great.

13 Now, of course, Global
14 Knowledge is part of this
15 transaction, too.

16 Can you talk about why Global
17 Knowledge is a good fit for you guys?

18 MR. TARR: Sure. And let me,
19 you know, let me as we're talking
20 about Global Knowledge, there are a
21 couple of key drivers of growth in
22 this business. One of them you
23 referred to as Percipio.

24 Because as we're moving from an
25 old platform to a new platform, that

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1
2 is proven to be a tremendous catalyst
3 for growth. And the Percipio part of
4 our business is growing at double
5 digits.

6 MR. JANNARONE: Got you.

7 MR. TARR: Similarly, Global
8 Knowledge is adding to the growth of
9 the business and not just inorganic
10 growth in what is a highly creative
11 transaction, but it's also the fact
12 that Global Knowledge is the leading
13 delivery -- it's the leading provider
14 of authorized training in the tech
15 & dev role.

16 And when we add that to
17 Skillsoft's tech & dev business, we
18 have, what I believe, will be the
19 number one tech & dev training
20 offering in the world. And that's
21 going to give us an opportunity to
22 participate more fully and drive
23 growth in what is the fastest growing

24 segment of our market.

25 MR. JANNARONE: Terrific.

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2 Jeff, something I just thought of
3 when we spoke a couple of months ago,
4 we discussed your content library.
5 And as a media guy, I know that
6 content is king.

7 Can you tell us a bit about
8 that, and you've invested a lot of
9 money in it, and do your clients
10 prefer that content versus other
11 content that you might buy?

12 MR. TARR: Yes. We have a
13 180,000 learning assets in our
14 portfolio. 30 percent of those are
15 proprietary, developed by us in our
16 own studios with our own talent. And
17 that 30 percent drives 90 percent of
18 the usage on the platform.

19 Now, why does it drive 90
20 percent of the usage on the platform,
21 it's because it's better. It's
22 because we've developed this -- this
23 learning content, using a proven
24 methodology validated by MIT. And
25 it's a methodology that's really

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2 designed for the way people learn
3 online today.

4 So to give you an example, most
5 online learning today is really
6 45-to-90-minute lectures put online.
7 And if you've ever tried to sit
8 through one of those, it's really
9 tough, and then try to sit through
10 five or six of them in a row to
11 complete a class, almost impossible.

12 Almost no one completes that kind of
13 learning.

14 Our learning are three to five
15 minute segments of learning, highly
16 compelling, linked together, either
17 curated by our experts or through AI,
18 and interspersed with assessments,
19 interspersed with badges. So it
20 creates what we call a spiral
21 learning journey, truly compelling,
22 truly immersive, and I have to say
23 addictive. And when I use that word
24 cautiously, but addictive when it
25 comes to learning is a good thing.

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2 MR. JANNARONE: I have to
3 agree.

4 So let's talk about your
5 organic growth. We'll get to M&A
6 later.

7 So Jeff, there's a term you
8 used which I like, hunter is your
9 sales force. Tell us how you go out
10 -- you already got 70 percent of
11 fortune 1,000, but you're going for
12 the other 30. So tell us how that --
13 tell us about the plan attack.

14 MR. TARR: So this is really
15 exciting. The company historically
16 has had a -- is more focused on
17 renewing business and selling new
18 business. There wasn't a dedicated
19 enterprise team focused on acquiring
20 new customers, on selling to new
21 logos.

22 And so we're in the process of
23 standing up a brand new team focused
24 on customer acquisition. The company
25 has hired nearly 30 customer

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2 acquisition reps that are great
3 hunters, great salespeople. They're
4 building their book of business and
5 we expect, by the time we get to the
6 end of the year, they will be
7 productive in driving meaningful
8 growth.

9 MR. JANNARONE: Terrific. Now,
10 what about having existing clients
11 purchase more? Can you cross sell,
12 can you introduce them to things that
13 they don't even know about that they
14 might need?

15 MR. TARR: Well, that's the
16 power of this platform. As I
17 mentioned earlier, we're the only
18 player in all three major categories
19 of corporate digital learning. That
20 gives us an opportunity to cross
21 sell, which drives growth.

22 But it's more than just the
23 obvious buy more product, generate
24 more revenue. What we found is when
25 customers buy across our entire

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2 product line, we get higher
3 retention. 22 percentage points of
4 higher dollar retention.

5 That's really exciting and
6 gives us a competitive advantage in
7 driving higher retention rates than
8 our competitors.

9 MR. JANNARONE: Great. Now,
10 Jeff, one thing has changed since we
11 spoke a couple of months back, is
12 your reported results. And I think
13 they were good. Can you tell us a
14 little about that? Or Larry can,
15 either one of you. You might want to

16 give Jeff a break, he's got a cough.
17 MR. ILLG: This is Jeff's
18 domain, he did the work here.
19 MR. TARR: You know what, we're
20 really proud of the results of the
21 combined Skillsoft and Global
22 Knowledge. Together across the two
23 businesses on a pro forma basis, we
24 outperformed top line and bottom line
25 in the -- for the year.

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2 And so we came in with revenue
3 that was higher than estimates or
4 intake that was higher than
5 estimates, and EBITDA that was at the
6 very top of our estimates that we
7 announced in October when we
8 announced the deal.

9 So this is a business that has
10 only gotten better since we announced
11 the transaction back in October.

12 MR. JANNARONE: Great. You
13 know, I've got a question about COVID
14 and this transition from physical
15 learning and classrooms to digital.

16 Did COVID accelerate that and,
17 you know, are people ever going to
18 want to go back and sit in an
19 auditorium? I mean, I remember some
20 of the corporate experiences I had,
21 which were in person back in the day,
22 but are those days gone forever? Is
23 it all digital now?

24 MR. TARR: Look, it's -- I
25 believe, and Larry, I know, has a

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1
2 perspective, too, from Prosus to make
3 comment.

4 This is a trend that's moved

5 from classroom first to digital
6 first. And corporate digital
7 learning has been a trend that's been
8 moving forward for a while. COVID
9 was an accelerator. At the beginning
10 of COVID corporate universities which
11 is really how large enterprises would
12 traditionally deliver training shut
13 down. Many of them if not most of
14 them will never reopen. And the job
15 of the learning development
16 professional inside the enterprise i
17 believe and our research tells us has
18 permanently changed from, that job
19 used to be about taking care of the
20 corporate university and now it's
21 primarily about taking care of the
22 talent inside the enterprise,
23 upskilling and reskilling. And
24 Skillsoft is perfectly positioned to
25 take advantage of that trend.

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2 MR. JANNARONE: Terrific.

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MR. ILLG: Yeah, and I can --

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MR. TARR: Yeah, it would be

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great to -- I know Larry has this

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industry wide perspective on this

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question. I really for the most part

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see it through Skillsoft.

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MR. ILLG: This is one of the

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things that Jeff and I talked about a

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lot actually. This is hopefully one

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of the lenses that we could bring to

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the company. So we see big sectors

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like this globally. And if you think

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about EdTech broadly speaking, so

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even beyond the enterprise, this has

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been a generational tailwind for the

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sector. But it's not that even,

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right, and as the father of two young

20 children, the sector of EdTech that
21 is experiencing the biggest tailwind
22 has been K to 12 where we see -- you
23 see a lens maybe 15, 20 years in the
24 future, how much demand has been
25 brought forward.

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2 Now, thankfully in my case, I
3 hope it doesn't all stick, I look
4 forward to my kids being back in
5 class full time, those businesses
6 will see once hopefully we're on the
7 other side of COVID globally, you'll
8 see a decrease in the rate of growth.
9 You'll see some of these businesses
10 -- it's great, you've got this lens
11 on in the future and they're going to
12 shrink once the world opens up again.

13 With a lot of the -- similar
14 story, a lot of demand being brought
15 forward and especially in the case
16 where, frankly, it's the crossover
17 into what I would call edutainment.
18 Right? You get a little bored with
19 Netflix, you start learning other
20 things. Finding ways to pass your
21 time. Some of that demand is going
22 to fall away.

23 What's been interesting and
24 what we observed globally is very
25 consistent with what Jeff's

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1
2 experience with Skillsoft, is
3 corporate training has been on this
4 steady journey where online is taking
5 share of offline.

6 It's been an accelerant, but
7 it's not the kind of step changing
8 demand that I would expect to go

9 back. It's just more people are
10 seeing the online version of these
11 products and embracing them.

12 MR. JANNARONE: All right.
13 Thank you, Larry.

14 Now, I see lots of questions
15 coming in. But before we get to the
16 audience here, let's talk about M&A.
17 So very very strong organic growth
18 story, Jeff, you just outlined. But
19 tell us about the industry. Is it
20 fragmented or are there creative
21 acquisition opportunities? And is
22 your balance sheet in a good position
23 to go out and hunt for deals?

24 MR. TARR: This is an
25 extraordinarily fragmented industry.

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2 I've never seen a more fragmented
3 industry, and this is one Larry I
4 talk about all the time. I don't
5 think you've seen a more fragmented
6 industry either.

7 MR. ILLG: Yes.

8 MR. TARR: Yes, there's a huge
9 number of targets available to us.
10 But it's more than just the number of
11 targets. We're coming at this with a
12 very strong number of balance sheet.
13 We have a de-SPAC coming up, and we
14 believe that we'll exit that with the
15 strongest balance sheet out there to
16 go and drive acquisitions.

17 But it's more than just a
18 balance sheet. It's also the
19 platform. The Percipio platform is
20 designed to integrate third-party
21 content and technology. And so that
22 allows us to integrate acquisitions
23 very easily.

24 Our customer base of 70 percent
25 of the Global 1,000 supported by a

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2 600-person sales organization, allows
3 us to take these companies and put
4 them on our platform, sell them to
5 our sales force, and dramatically
6 expand their business.

7 That is really powerful from a
8 shared value creation perspective.

9 MR. JANNARONE: Great. I just
10 want to note one thing. You
11 mentioned the de-SPAC, it's important
12 for all shareholders to vote. This
13 is something we like to remind
14 everyone. Even if you're an
15 individual investor and you only have
16 a few shares, they really can add up.

17 So the easiest way to do that,
18 of course, is to go to your online
19 broker and if you have any trouble,
20 you can call your broker.

21 Let's dig back into this M&A a
22 little more and start with some
23 audience questions.

24 So, Jeff, can you give us a
25 little bit more color. Someone is

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1
2 asking, can you flesh out the
3 acquisition strategy a bit more in
4 determines of focus, size, are you
5 looking for small bites or the big
6 guys opportunity to go after?

7 MR. TARR: The answer is both.
8 So I'm looking to build a sort of
9 cadence of regular built-on
10 acquisitions. Order of magnitude,
11 you know, I'd love to see us do one
12 or two a quarter, that will take us a

13 little while to build up to that.
14 There's a lot of targets out there.
15 Then I would see us also
16 looking at some of the larger
17 acquisitions. And, you know, one a
18 year, that would be great, if we can
19 pull that off. Excuse me, and these
20 companies we believe will be content
21 business, learning content assets,
22 and best to bring learning technology
23 that we can add to our platform and
24 our business.
25 Now, the other point I want to

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1
2 make on this is, our customers are
3 asking for us to do this. The fact
4 that the industry is so fragmented
5 has created quite a chaotic buying
6 environment. And what I'm hearing
7 from customers is, they need someone
8 like Skillsoft, and we're the most
9 logical player to help them make
10 sense of the industry and build out
11 that much stock shop to a greater
12 degree.

13 MR. JANNARONE: Great. In
14 regard to acquisitions, and, Larry,
15 feel free to jump in here, too, I
16 mean, the deal we talked about
17 earlier this week, so Larry is a deal
18 guy as well.

19 Are these going to be done in
20 cash, stock, combination, and can you
21 get them at valuations where they're
22 immediately accreted to earnings?

23 MR. ILLG: I think picking up
24 where Jeff just left off, I think for
25 the sectors that we look at in terms

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2 of education of this intersection of
3 a massive cam and unbelievably
4 fragmented. So I think it allows us,
5 presents a lot of opportunity and
6 there's also a lot of things to look
7 at. And we have to be very
8 thoughtful about getting the right
9 businesses and the right content, the
10 right product and at good values.

11 And, hopefully, this is one of
12 the bits of value that we bring to
13 Jeff and team.

14 We see all the deals in this
15 space, and we can help Jeff and team
16 sift through and figure out which
17 ones are right for Skillsoft.

18 And the form that that takes, I
19 mean, I don't want to speak for Jeff,
20 but from my perspective you sold that
21 last. Let's make sure we're meeting
22 the right companies at the right
23 prices, and then figure out the right
24 way to engage. And it doesn't always
25 have to be outright -- one of the

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2 things that drew us to Skillsoft is
3 this unique position that it has in
4 the enterprise learning landscape.

5 There are lots of companies
6 that want to partner with somebody
7 that has access to 70 percent of the
8 Global Fortune 1,000. So you don't
9 have to acquire them, as evidenced by
10 how, you know, Jeff has brought a lot
11 of content, and Jeff's team brought a
12 lot of content into the platform.
13 You can do it through commercial
14 partnerships, you don't have to buy
15 everything, but there are a lot of
16 interesting assets out there to buy.

17 MR. JANNARONE: That's a really
18 interesting point. Someone is asking
19 -- and let's stick with Larry for a
20 little bit longer here.

21 Someone is very familiar with
22 your other assets, asking about
23 Brainly, Code Academy. Is there a
24 way that we can think about Skillsoft
25 working in conjunction with some of

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1
2 those other portfolio companies?

3 MR. ILLG: Yes, you know, often
4 people give us too much credit for
5 being, you know, visionary in how we
6 might want to -- this is a massive
7 statement, and we tend to talk about
8 education like it's monolithic,
9 right?

10 This is -- ten years, this will
11 be a ten trillion dollar sector of
12 the global economy. The idea that
13 there is going to be one winner here
14 and somehow you can put all these
15 pieces together, you know, I'd love
16 to be the person who did that, but I
17 think that would be naive.

18 The space is very local. And
19 there is -- we look for -- we look to
20 get involved with businesses, with a
21 long run way ahead, and one that is
22 occupying primary real estate. And I
23 would -- as we just discussed, I
24 would very much put Skillsoft in that
25 camp, and what we try to do is, if we

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1
2 get a lot of the key assets in our
3 stable then invariably partnership
4 opportunities emerge and we don't

5 have to orchestrate them. We just
6 put the right people in the room
7 together and frankly when we
8 announced that we were getting
9 involved with Skillsoft, when I had
10 spoken to our other EdTech companies
11 and even our companies beyond EdTech
12 that were interested in their
13 products, they said, when can we talk
14 to the team? How can we get involved
15 with them? And it's not something
16 that I have to put together. It's
17 just creating environment. In many
18 ways it's like putting a party
19 together. It's getting the right
20 people in the room together and
21 having them figure it out.

22 MR. JANNARONE: Great. I want
23 to ask you about international
24 opportunities. You know, we might be
25 thinking about -- how does that work,

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1
2 when you think about something like
3 Netflix, I might be able to watch a
4 movie here, but I can't watch it in
5 the U.K. or whatever. Do you -- I
6 guess owning your content means you
7 can take it anywhere. Can you shed
8 some light on that, Jeff?

9 MR. TARR: It's multilingual.
10 To serve global enterprise, you have
11 to have a lot of language capability
12 and that's how -- that's an advantage
13 of ours.

14 Now, 75 percent of the revenue
15 today is U.S., 25 percent is outside
16 the U.S., primarily Europe. We see
17 APAC, Latin America, Africa as big
18 opportunities and opportunities that
19 we believe Prosus is going to help us
20 accelerate in our efforts to

21 penetrate given Prosus' footprint and
22 capability.
23 MR. ILLG: Yes, just to build
24 on that. That was one of the things,
25 learning -- 80, 90 percent of

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1
2 learning is the same around the
3 world. There's a lot of richness in
4 that last 10 or 20 percent, right?
5 How -- language is an obvious one.
6 How you deliver content to low
7 bandwidth environments, how you might
8 process payments. Sort of the more
9 mundane things about business
10 operations are things where with the
11 quality of the content that Skillsoft
12 has, we can help, sort of, surface
13 some of those international
14 opportunities because, you know, our
15 -- we consider our birthright to be
16 outside of the western markets. So
17 that's turf that we know very very
18 well.

19 MR. JANNARONE: Great. Quick
20 technical question here, someone is
21 asking when the ticker is going to
22 change. And the answer is pretty
23 shortly after the special meeting.
24 And I'm not sure what that date is.

25 MR. TARR: Look, we've targeted

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2 June 11th as the close date, and so
3 we would expect by Monday we're
4 trading as -- that Monday, so June
5 14th trading as SKIL. So that's the
6 plan.

7 MR. JANNARONE: All right.
8 Great. Let's see here. Someone is

9 asking about -- someone is asking
10 about, oh, augmented reality. So is
11 there potential to do AR stuff. I
12 mean, you know, we've showed a little
13 demo there, you know, this is a
14 software platform, but is that part
15 of the plan in the future, Jeff?

16 MR. TARR: There sure is.
17 We've already been working and
18 speaking with one of the leading
19 players in AR and VR, and we expect
20 that that will over time become
21 meaningful, and that's for both
22 specific skills training, but also
23 there's research that shows that with
24 AR and VR, you're able to create more
25 of an empathetic response in the

44

1 learner, which is super powerful when
2 it comes to, for example, training in
3 diversity equity inclusion and
4 belonging, which is an important part
5 of our offering.

6 MR. JANNARONE: Jeff, I think
7 you talked to me about something I
8 found very interesting. You're able
9 to recommend different programs and
10 courses, right? If someone does one
11 or goes to the next one, can you tell
12 me how that works?

13 MR. TARR: It works like your
14 experience with Netflix. So based on
15 the learner's individual profile, our
16 AI engine takes the data from
17 serving, you know, currently 45
18 million learners, you know, the
19 number is huge over time, vastly
20 larger than that. And taking that
21 data and recommending learning.

22 And what's really powerful
23 about that, take -- I talked earlier
24

25 about the fact that we're in multiple

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categories of learning. So the

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learner's experience with us often

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starts with compliance training.

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That's mandatory.

6

So every learner in the

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company, every employee in the

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company, will take our compliance

9

training. And from there, based on

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their individual profile, we're able

11

to recommend learning for them that's

12

not compliance, but will help them

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improve their skills, advance their

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careers, earn more money, be more

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successful in what they're trying to

16

do, and that's all driven by our AI

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engine.

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MR. JANNARONE: Great. There's

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a question here, I think you touched

20

on this, Larry, but just to clarify,

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someone is asking if, you know, we

22

talked about these different assets

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working together, they are distinct

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and separate assets, right? So

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there's not a plan to combine them

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all, right?

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MR. ILLG: These are, you know,

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as I mentioned before, we allow the

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companies and entrepreneurs to follow

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their own journey. And this is not,

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you know, we have different levels of

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participation in the companies that

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we're involved with, right? We

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announced 100 percent acquisition of

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Stack Overflow, which is very

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different than the holding we have in

13 the other companies. And we allow
14 them -- we hope to accelerate them on
15 their own journeys, and if
16 opportunities to work together
17 emerge, again, it's something that we
18 allow the companies themselves to
19 figure out.

20 Of course, we see shots, and we
21 might introduce ideas for
22 collaboration, but there's no
23 stalking entrepreneurship. Right?

24 When we announced the Stack
25 Overflow deal, and, you know, Jeff

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2 knows folks of that company, he can
3 immediately point to opportunities to
4 work together. And so you don't --
5 you don't have to force the action.
6 A lot of times the action just
7 happens naturally.

8 MR. TARR: It sure helps that
9 Prosus investment facilitates that.
10 And creates an environment where the
11 prior relationships and the
12 industrial logic of the partnership
13 are dramatically accelerated by being
14 in that portfolio.

15 MR. ILLG: That's exactly
16 right. I think when it comes down to
17 that first meeting between
18 entrepreneurs, they can trust that
19 they have, you know, people with
20 common interests behind them.

21 Again, it's up to each of the
22 respective CEOs to set the course for
23 their company, but it helps when you
24 have shared interests in the
25 background.

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2 MR. JANNARONE: Great. Jeff, I
3 really like that comparison to
4 Netflix in suggesting, you know,
5 different movies, different courses.

6 You're getting a lot of data
7 from individuals. Can you use that
8 data? Is it valuable to the
9 business? And then I have to ask,
10 what steps are you taking to insure
11 there aren't privacy issues?

12 MR. TARR: So first of all, the
13 data is anonymized. We're not
14 looking at, you know -- we're not
15 studying what you are actually being
16 trained in. But in terms of making
17 those decisions, for example, I
18 mentioned earlier that 30 percent of
19 the content assets are proprietary,
20 developed by us. But that drives 90
21 percent of the usage.

22 The data on -- the usage data
23 allows us to make that decision.
24 What are we going to create? What
25 are we going to license? What do we

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2 do to make the learning more
3 compelling? Okay? Here's a course
4 that had 90 percent completion rate,
5 and here's a course that had a 50
6 percent completion rate. And we can
7 study the differences and improve on
8 the course with the lower completion
9 rate.

10 So that data massively is
11 valuable for the company to create
12 the future of the product and then
13 for the individual -- the individual
14 benefits from tailored
15 recommendations that are generated by
16 the algorithms, the AI algorithms,

17 based on that learner's profile and
18 based on that learner's learning
19 history.

20 MR. ILLG: If I can build on
21 the back of that. That is one of the
22 themes that we've seen broadly with
23 EdTech, I think Skillsoft is very
24 well positioned and Jeff explained
25 that very well. From the company's

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2 perspective, you end up in this world
3 where scale begets scale. Right?
4 They have insights to so many
5 different learners and can understand
6 what the learning journey should look
7 like, and also where there might be
8 content gaps that they can fill.

9 From the student perspective,
10 and I think this is important in
11 terms of how EdTech is transforming
12 education.

13 One of the hardest challenges
14 that folks encounter in online
15 learning is knowing where to go, and
16 knowing where they've made progress,
17 right? For all of us, you know, in
18 high school and college, at the end
19 of your freshman year, it was safe to
20 assume you were plus or minus 25
21 percent along the way of your
22 journey.

23 In online learning especially
24 in stackable, understanding that
25 roadmap is hard, and that's where a

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1
2 company like Skillsoft can help shape
3 the learner's journey, and show you
4 where you're making progress and
5 point you in the right direction

6 versus people who have a more narrow
7 sense of content.

8 MR. JANNARONE: Great. Jeff,
9 we have a couple of questions coming
10 in about SumTotal. Can you talk to
11 us a little more about that? I think
12 we have two or three questions about
13 how it fits into the company's
14 broader strategy.

15 MR. TARR: Super. SumTotal
16 was our acquisition the company did a
17 number of years ago. It is a
18 learning management system. So
19 different than the content business
20 we've been talking about.

21 It's the software that the
22 enterprise uses to manage a range of
23 learning management processes. And
24 it's focused on highly regulated
25 industries.

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2 So it's a good product, it's a
3 good business, it's not integrated
4 with the rest of our business today.
5 It operates largely on a standalone
6 basis, and it serves a blue-chip list
7 of customers.

8 MR. JANNARONE: Great. Jeff,
9 the question that I asked you when we
10 spoke before, that I think is
11 relevant to folks who aren't familiar
12 with the industry, I first thought of
13 online universities.

14 Tell us just quickly how your
15 business is not like those. Because
16 those are fraught with regulatory
17 problems, right, because sometimes
18 they got trouble with progressive
19 sale tactics.

20 MR. TARR: So what you're

21 talking about is online degree
22 programs --
23 MR. JANNARONE: Yes.
24 MR. TARR: -- that sell online.
25 We have nothing to do with that

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1
2 industry in terms of, that's not what
3 we do. We sell to the enterprise.
4 These aren't degree programs. They
5 are powerful learning programs for
6 employees. So completely different
7 business.

8 MR. JANNARONE: Someone is
9 asking about Global Knowledge. I
10 feel like we've been talking a lot
11 about Skillsoft. Someone is asking,
12 does the acquisition involve every
13 Global Knowledge country and
14 franchise or select ones? The whole
15 thing?

16 MR. TARR: We're acquiring the
17 entirety of the Global Knowledge and
18 excited about integrating that into
19 the portfolio.

20 MR. JANNARONE: Great. If it's
21 okay, someone is asking about a
22 specific competitor, Coursera. Can
23 you tell us how you're different from
24 them?

25 MR. TARR: Look, Coursera is a

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1
2 good company. I actually am one of
3 their learners, I took one of their
4 classes back in 2017.

5 It's a good business, primarily
6 consumer oriented. Primarily longer
7 form, so university classes, 45
8 minute, 90-minute lectures online.
9 They have a small but growing

10 enterprise business. Good company.
11 We are entirely enterprise. We
12 are entirely, you know, developed for
13 more the needs of the enterprise, and
14 short form, you know, five -- three,
15 four, five, six-minute learning
16 modules strung together to create a
17 spiral learning journey developed for
18 online.

19 So it's a different business.
20 They are, you know, we do integrate
21 Coursera into Percipio, so if an
22 enterprise customer would like to
23 access Corsara through us, they can.

24 MR. JANNARONE: That's an
25 interesting point.

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2 Another sort of competitive
3 question here, someone mentioned that
4 you use NexTech labs, but Pluralsight
5 acquired them. Does that cause any
6 problems for you or is that going to
7 work out smoothly?

8 MR. TARR: We have multiple lab
9 vendors and multiple labs partners.
10 So I'm not going to comment on any
11 specific, you know, partner. We have
12 a very powerful labs offering that we
13 put together and labs are a very
14 important part of what we do.

15 MR. JANNARONE: Great. Someone
16 is asking about the sales force once
17 again. The hunters. I believe there
18 are 30 of them, but someone is
19 asking, how many are there, and what
20 is the broad incentive structure for
21 those guys and gals?

22 MR. TARR: So 30 inside of
23 Skillsoft focused on the enterprise.
24 More Global Knowledge, more in our

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2 SMB. And, you know, their incentive
3 is to go close business.

4 MR. JANNARONE: Got you.

5 Oh, someone is asking again
6 about Global Knowledge. When you
7 think about Global Knowledge, you
8 know, we're talking about all these
9 digital efforts. Is Global Knowledge
10 set up in the same way and are the
11 two going to mesh together pretty
12 well, when you're talking about these
13 issues, we should really think about
14 them as a combined business?

15 MR. TARR: You should think of
16 them as a combined business. Global
17 Knowledge is primarily authorized
18 training from leading IT hardware and
19 software vendors in the world.

20 So the way to think about
21 Global Knowledge is, you are an IT
22 organization, technology
23 organization, you are rolling out a
24 new systo-technology or a new
25 technology from red hat or you're

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2 moving to the cloud with AWS. You
3 could train your workforce. That's
4 what Global Knowledge does.

5 MR. JANNARONE: Great.

6 MR. TARR: Skillsoft is --
7 we've spent time on Skillsoft, but
8 put the two together and you have
9 what believe leading tech & dev
10 offer.

11 MR. JANNARONE: This looks like
12 kind of a tough question but I think
13 a fair one.

14 Skillsoft ran into some
15 trouble, can we be assured that that
16 in the past and those issued have
17 been addressed?

18 MR. TARR: Look, Skillsoft was
19 over-levered. With this transaction,
20 we will have a very strong balance
21 sheet and be positioned to invest in
22 organic growth and acquired growth.

23 We take full advantage of this
24 tremendous platform and sales
25 organization and the content assets

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2 to achieve our aspiration of being
3 the unrivaled industry leader.

4 MR. JANNARONE: Great. I want
5 to ask once more a bit about -- oh,
6 right, yeah, the new platform. So
7 are customers transitioning over very
8 quickly? What percentage of them are
9 there at this point?

10 MR. TARR: Yeah, today
11 customers are representing 75 percent
12 of our revenue on Percipio, either
13 entirely or partially. We expect
14 that to be 90 percent by the time we
15 get to the end of this year -- excuse
16 me. Give one to Larry, I'll go on
17 mute and clear my throat and we'll be
18 good.

19 MR. ILLG: Maybe I could pile
20 on to that question. This is one of
21 the areas where we spent a lot of
22 time looking at the company. And I
23 think we are -- and I know I'm going
24 to sound like a commercial, we are
25 not just an investor in this company,

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2 we are also a user of these products.

3 We buy seed licenses to a
4 variety of education products on
5 behalf of our portfolio company. And
6 to make these products available, we
7 have a group chief learning officer
8 and we have a technology team that
9 dives deep into these products,
10 again, not just for the purpose of
11 making an equity investment, but also
12 with the potential of being a
13 consumer.

14 And we checked this, you know,
15 Percipio product back and forth, and
16 we really dove deep, and you know, it
17 checks out. This is a wonderful
18 product, and I think, you know, we're
19 excited about potentially --
20 especially as it comes to addressing
21 the next set of user needs. And the
22 next set of content that needs to
23 come on the platform.

24 And, you know, kind of tying
25 back to the last topic, the -- in

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1
2 addition, there's sort of liberating
3 the company from the prior financial
4 architecture.

5 If we think about Skillsoft
6 going forward, cleaning up the
7 financial architecture, bringing on a
8 fantastic leader like Jeff, and some
9 of the other leaders that he's
10 bringing into the company, and then
11 also that the company addressed this
12 technology challenge, they future
13 proof the company and that got us
14 excited to invest.

15 MR. JANNARONE: Great. Let's
16 stick with Larry for a second, this
17 is an industry question.

18 Someone is asking about
19 industry's growth and then organic
20 growth versus M&A. I believe that
21 the organic growth is 12 percent
22 EBITDA growth, but how much is the
23 industry growing right now, Larry,
24 roughly, is it single digits?

25 MR. ILLG: It depends how you

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1
2 define the industry, to be honest.
3 It depends on your timeline. Right?
4 So if you include you, you know,
5 enterprise EdTech like from a
6 consumer lens, it's hard to see the
7 financials because a lot of these
8 companies are private.

9 But if I talk about visitor
10 activity, we've seen over the course
11 of the last call it 10, 15 years,
12 kind of steady, you know, low double
13 digit growth. It's accelerated as we
14 discussed earlier in the context of
15 the pandemic.

16 If you expand that to include
17 other forums, lifelong learning, K to
18 12, we've got this COVID tailwind
19 that, you know, led to hopefully
20 bringing some demand forward.

21 Again, I think we're all
22 looking forward on the opportunities
23 in online education even beyond the
24 enterprise, you know, as more people
25 get exposed to this learning format,

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2 you have to believe it will lead will
3 lead to long-term benefit even for
4 enterprise EdTech. But typically
5 from a user perspective, low double

6 digit growth, again, on a massive
7 base.

8 MR. TARR: Our belief is that
9 Skillsoft is corporate digital
10 learning is on a growth trajectory
11 from 28 billion TAM today to what we
12 believe would be a 45 billion dollar
13 TAM in five years.

14 So, you know, a high single
15 digit, low double digit growth around
16 10 percent. We expect to accelerate
17 the growth of Skillsoft, from where
18 it is today, to that high single
19 digit to 10 percent zone organically,
20 as we complete the migration from
21 Skillport to Percipio.

22 Percipio is growing faster.
23 Skillport is in decline, so we're
24 in that migration today. But that
25 will be behind us very soon and

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2 you'll see that higher growth rate
3 reflected in our total growth.

4 We expect to add to that with
5 high-growth acquisitions that will
6 grow faster and that creates an
7 opportunity for more growth in the
8 future.

9 MR. JANNARONE: Great. On the
10 -- let's go back to the leverage
11 points. Someone is asking, you know,
12 of course Skillsoft was over levered
13 I think, several turns. Right now,
14 you know, assuming there are no
15 redemptions they are going to come
16 out at six --

17 MR. TARR: Well --

18 MR. JANNARONE: So what is the
19 right number? You got to be
20 disciplined, but it can certainly be
21 higher than six.

22 MR. TARR: So 12 times was
23 where it was. You know, we expect
24 with no redemptions, we expect that
25 we'll essentially have almost no net

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2 debt, so less than one turn net debt
3 on this company at the de-SPAC. And
4 we believe that we can operate the
5 business, keep in mind it's a
6 recurring revenue business.

7 We can operate it at, you know,
8 three, three and a half times. We
9 could lever it up a little more for
10 the right acquisitions. But we'd
11 have to, you know, have confidence
12 that we can then delever back to
13 that, you know, three to three and a
14 half times leverage.

15 But that gives us tremendous
16 capacity for M&A and we're really
17 excited about that.

18 MR. JANNARONE: Great. Well,
19 on that note, someone is asking about
20 the M&A, in particular how -- do you
21 have an in-house team? Maybe, Larry,
22 would you be involved also in
23 evaluating transactions?

24 MR. ILLG: Yes. We help -- you
25 know, we introduce a lot of ideas to

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2 Jeff and team, you know, they've
3 pointed in the direction where they
4 want to take the company, and just
5 because we see a lot of deal flow
6 often, you know, we can throw
7 companies over to Jeff that we think
8 might fit his strategic direction for
9 the company. And then we support

10 them in scrutinizing the companies.

11 Again, this is something that
12 we, as a group, you know, we look at
13 well over 5,000 companies a year for
14 potential investments, doing, you
15 know, somewhere in the neighborhood
16 of 50 on a given year.

17 So we have that global muscle
18 pretty well developed, and, again, we
19 think from the company's lens out.

20 So Jeff says I need help on technical
21 diligence, HR diligence, tell me how,
22 you know, if he wants an outsider's
23 perspective on the company, our group
24 resources are available to him.

25 MR. TARR: And we're getting

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1 that every day, which is really
2 fantastic. Good, better, best access
3 to deals, access to all sorts of
4 resources to insure we do the right
5 acquisitions and we do them well.

6 Building on that, you asked
7 about team. Next week we are going
8 to announce our new leadership team.
9 It's a fantastic team of experienced
10 executives who know the journey from
11 where Skillsoft is today to billions
12 in revenue.

13 So that's the kind of team
14 we've assembled, and on that team, we
15 have a world class corporate
16 development leader, one who is -- has
17 done an enormous number of
18 acquisitions, and will be recognized
19 by many investors for a successful
20 track record. So look for that
21 announcement next week.

22 MR. JANNARONE: All right.
23 We've only got a few minutes left and
24 we may not get to every question
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here, but I encourage everyone to submit them if you've got anything else. And I will cut and paste and share all these questions with both these gentlemen. But we've got a few more to address while we've got time.

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Someone is asking about margins. So is the long-term potential margins to grow, what's driving that?

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MR. TARR: This is a business with a lot of operating leverage. The incremental margin -- the incremental dollar of revenue pushes 90 percent. So that creates a huge opportunity to drive both investment and margin expansion simultaneously as we grow.

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MR. JANNARONE: Great. Where is most of the growth coming from? Is it domestic or is it overseas? I think you mentioned that three quarters of the business is in the U.S. right now, right, Jeff? So

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where does most of the growth come from?

MR. TARR: Well, in absolute terms most of the growth is in the, you know, core business of U.S. and Europe. And in terms of a percentage wise, we're seeing really good growth in India, Asia Pacific, that should be more meaningful over time.

MR. JANNARONE: Great. Someone is asking about Skillsoft's debt. Are there plans to refinance --

14 someone is asking if that lower
15 interest rate in the presentation
16 reflects refinancing?

17 MR. TARR: Yes. Yes, it does.
18 There's an opportunity to bring down
19 the interest rate or payoff the debt
20 entirely.

21 MR. JANNARONE: On the M&A,
22 another question about that, I think
23 you've gone through this, but someone
24 is asking, are you looking at
25 multiples or return on investment?

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2 What kind of metrics are you using
3 when you're evaluating these deals?

4 MR. TARR: We're looking for
5 acquisitions that will be creative to
6 top and bottom line. We're also
7 looking for acquisitions that within
8 a few years are delivering a cash on
9 cash return on our investment.

10 So if we invest \$100 million in
11 an acquisition, we would expect in a
12 few years' time it's generating at
13 least 10 million dollars of cash
14 flow, as an order of magnitude.

15 MR. JANNARONE: Great. Someone
16 is asking if you can split up the
17 drivers of your growth in a little
18 more detail. I'm not sure if the
19 projections in the deck reflect M&A
20 or not? Can you just talk a bit
21 about that, Jeff? Is that largely
22 organic growth that we're looking at
23 in the projections or is some of that
24 M&A?

25 MR. TARR: Entirely organic.

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2 MR. JANNARONE: Okay. So the

3 M&A is all gravy then. So those
4 projections assume no M&A.

5 MR. TARR: Those projections
6 assume no meaningful M&A.

7 MR. JANNARONE: Okay. Great.
8 Someone is asking, in addition to
9 your content acquisitions, are you
10 considering companies other than your
11 back office, how you instruct your
12 content or designer resource
13 providers?

14 MR. TARR: You know, look, we
15 have a lot of capability inside the
16 company to support the back office.
17 You know, that's unlikely to be a
18 focus. Now, I've modified that with
19 technology. Technology allows us to
20 deliver, you know, better, say
21 adaptive learning solutions with AI,
22 or technology that allows us to prove
23 the ROI to do a better job of proving
24 the ROI to the buyer, tying outcomes
25 to the learning. You know, that's in

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2 scope. But, you know, I wouldn't
3 rule anything out, but it's not where
4 we're spending most of our energy
5 today. Most of it is on content,
6 technology, and expanding our greater
7 market.

8 MR. JANNARONE: How do you grow
9 your content library, Jeff? Can you
10 go out and acquire companies that are
11 making the same thing or do you hire
12 more people who join the team and
13 make more of it? Can you just flesh
14 it out a little bit?

15 MR. TARR: So we have inside
16 resources, outside resources, so the
17 answer is all of the above. We'll

18 hire more people, make the people we
19 have more productive. We partner
20 with outside providers and we
21 acquire.

22 MR. JANNARONE: All right,
23 great. I'm afraid we didn't get to
24 all the questions but we're running
25 out of time here.

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2 One last thing I want to
3 repeat, of course the vote is coming
4 up, so all shareholders regardless of
5 how many shares you own should vote
6 because every vote counts, especially
7 when you add them all up. I don't
8 know if you two have any thoughts on
9 that, but that's pretty much the
10 message.

11 MR. TARR: We believe this is a
12 great opportunity to create share
13 owner value, and we're excited by the
14 share owner base that we're building,
15 and look forward to creating value
16 for share owners over time, including
17 Prosus' share owners.

18 MR. ILLG: Appreciate that.

19 MR. JANNARONE: All right.
20 Well, gentlemen, thank you so much,
21 especially Jeff for powering through
22 with his unfortunate allergies.
23 Larry as well, thanks so much for
24 joining and everyone who joined in
25 and everyone who asked questions, as

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2 I said, I'm going to share those with
3 these gentlemen. And please check
4 out our replay, it will be up in an
5 hour or two if you want to catch some
6 or all this presentation.

7 So everyone thanks for joining
8 today.
9 (Time noted 12:00 p.m.)
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IMPORTANT ADDITIONAL INFORMATION AND WHERE TO FIND IT

This communication is being made in respect of the proposed merger transaction involving Churchill and Skillsoft. Churchill has filed a registration statement on Form S-4 with the SEC, which includes a proxy statement of Churchill and a prospectus of Churchill, and Churchill will file other documents regarding the proposed transaction with the SEC. The registration statement on Form S-4 was declared effective on May 27, 2021 and the definitive proxy statement/prospectus was mailed on or about May 28, 2021 to stockholders of record on the close of business on April 28, 2021, the record date for special meeting. Before making any voting or investment decision, investors and security holders of Churchill and Skillsoft are urged to carefully read the entire registration statement and proxy statement/prospectus and any other relevant documents filed with the SEC, as well as any amendments or supplements to these documents, because they contain important information about the proposed transaction. The documents filed by Churchill with the SEC may be obtained free of charge at the SEC's website at www.sec.gov. In addition, the documents filed by Churchill may be obtained free of charge from Churchill at www.churchillcapitalcorp.com. Alternatively, these documents, when available, can be obtained free of charge from Churchill upon written request to Churchill Capital Corp II, 640 Fifth Avenue, 12th Floor, New York, New York 10019, Attn: Secretary, or by calling (212) 380-7500.

Churchill, Skillsoft and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Churchill, in favor of the approval of the merger. Information regarding Churchill's directors and executive officers is contained in Churchill's Annual Report on Form 10-K/A for the year ended December 31, 2020, which is filed with the SEC. Additional information regarding the interests of those participants, the directors and executive officers of Skillsoft and other persons who may be deemed participants in the transaction may be obtained by reading the definitive proxy statement/prospectus and other relevant documents filed with the SEC. Free copies of these documents may be obtained as described in the preceding paragraph.

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of any securities in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such other jurisdiction. FORWARD-LOOKING STATEMENTS This communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of

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Skillsoft and Global Knowledge, the proposed transactions or other matters and attributable to Churchill, Skillsoft and Global Knowledge or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above.