3Q21 Earnings Presentation

November 2021

VASTA PLATFORM

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We have included in this presentation our EBITDA, Adjusted EBITDA, Free Cash Flow and Adjusted Cash Conversion Ratio, which are non-GAAP financial measures, together with their reconciliations, for the periods indicated. We understand that, although EBITDA, Adjusted EBITDA, Free Cash Flow and Adjusted Cash Conversion Ratio are used by investors and securities analysts in their evaluation of companies, these measures have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results of operations as reported under IFRS. Additionally, our calculations of Adjusted EBITDA, Free Cash Flow and Adjusted Cash Conversion Ratio may be different from the calculation used by other companies, including our competitors in the education services industry, and therefore, our measures may not be comparable to those of other companies.

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Quarter Highlights

- Vasta concluded in the third quarter the 2021 cycle, one of the most challenging periods of its history. Nevertheless, subscription revenue grew 7% over the same period of last year, or 11% excluding PAR

- Total net revenue fell 12%, however, as the non-subscription revenue was severely impacted by the deterioration in the textbook business

- Adjusted EBITDA totaled R$ 168 million in the 2021 cycle, a drop of 35% year on year, driven by the reduction in net revenue and higher provision for doubtful accounts (PDA), among other factors. Excluding a write-off of editorial costs recorded in the 3Q21, adjusted EBITDA totaled R$ 188 million, 27% lower year on year, a margin of 21%

- If 2021 was a lost year in terms of financial results, it has been a great year for the expansion of Plurall: the B2B2C platform debuted in October, with Plurall MeuProf and Plurall Adapta recording its first sales. Also, Plurall Store is live, offering complementary solutions in partnership with edtechs from all over the world

- The 2022 preliminary ACV totaled R$ 888 million on October 2021, an organic growth of 20% versus the 2021 subscription revenue, with still two months to go in the commercial campaign. Including Eleva, the preliminary ACV is R$ 974 million, a growth of 32%

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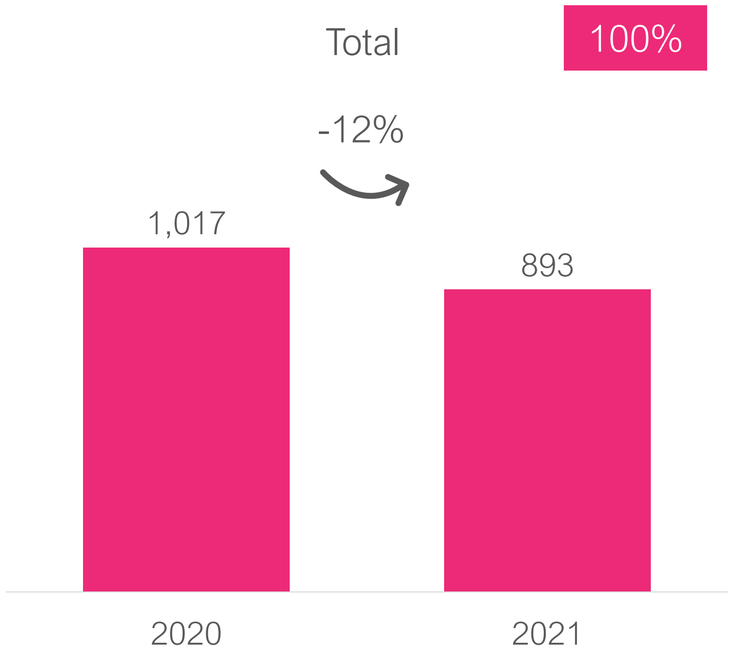
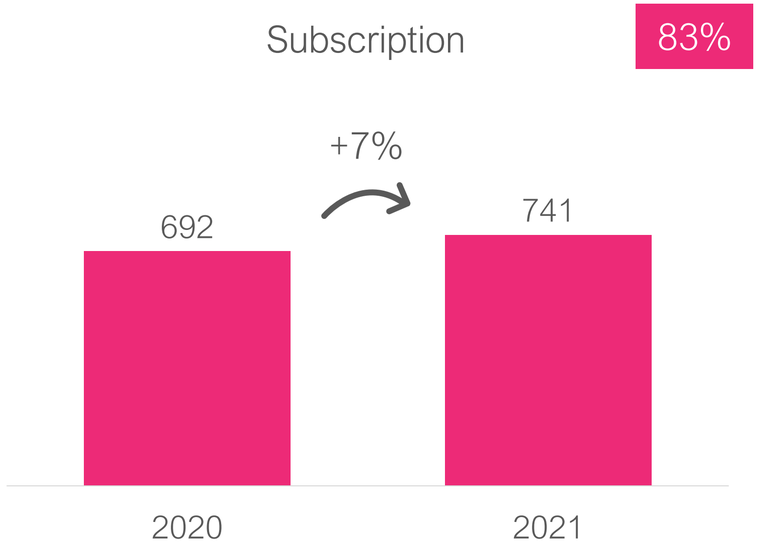
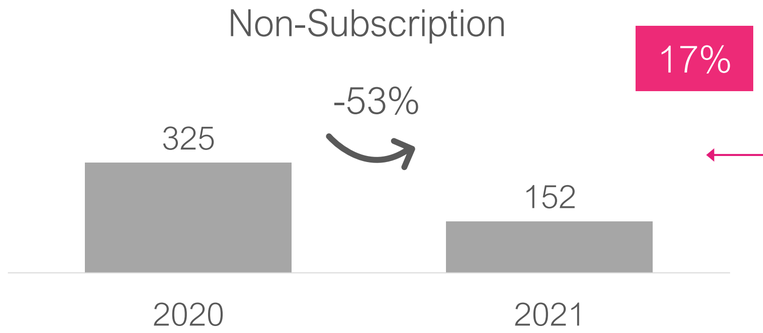
Analysis of the 2021 Cycle – Net Revenue

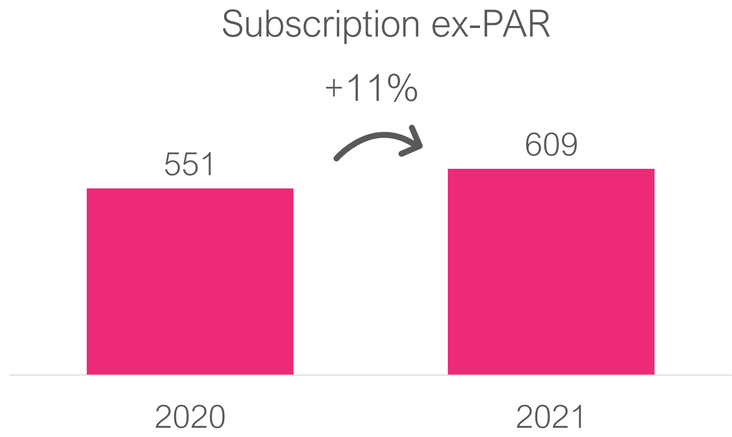
Values in R$ (million)

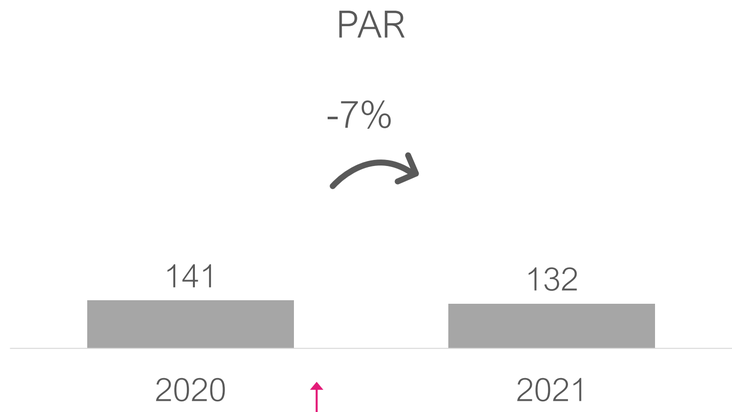
% of net revenue in 2021











Highly impacted by textbooks

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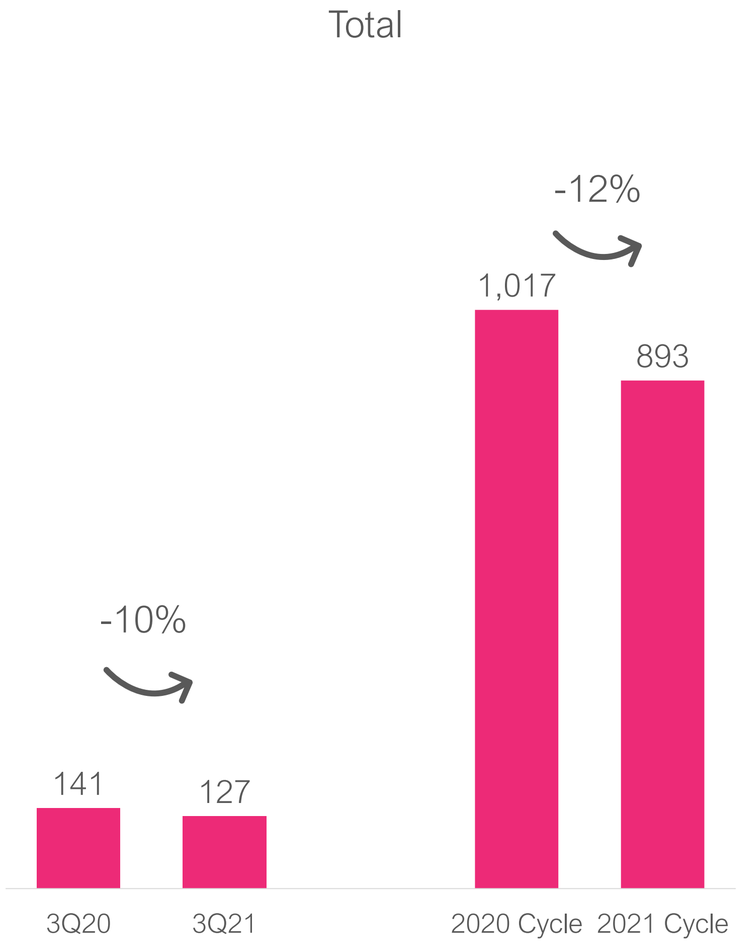
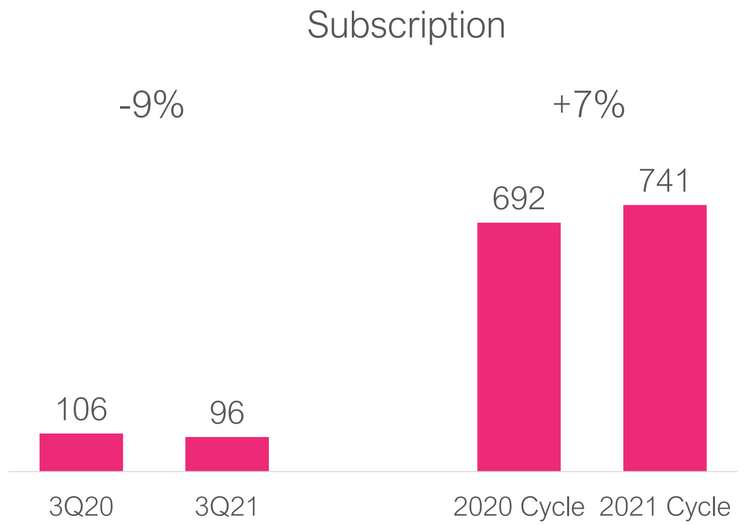
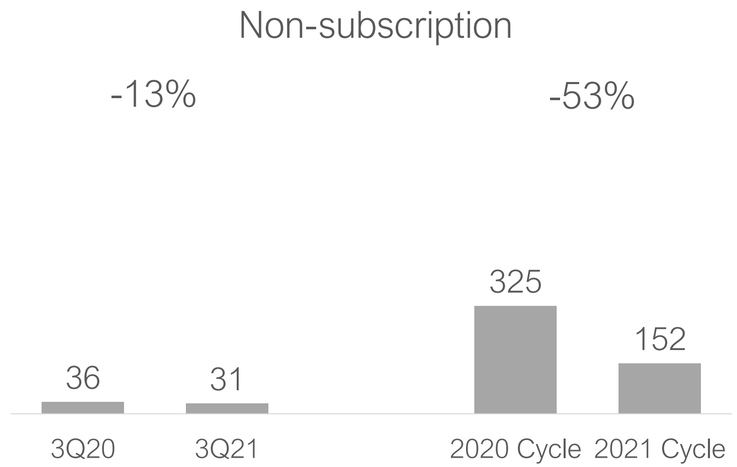
Note: 2021 cycle refers to the 2021 commercial year (4Q20 to 3Q21), while 2020 cycle refers to the 2020 commercial year (4Q19 to 3Q20). The Business is comprised of two reportable operating segments: Content & EdTech Platform and Digital Platform. We are presenting in this slide a supplemental information in terms of the sub-segments composing the reportable operating ones

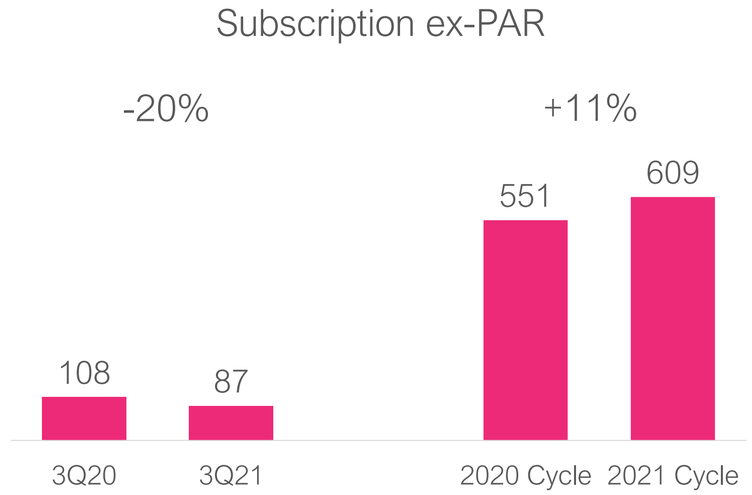
3Q21 Financial Highlights – Net Revenue

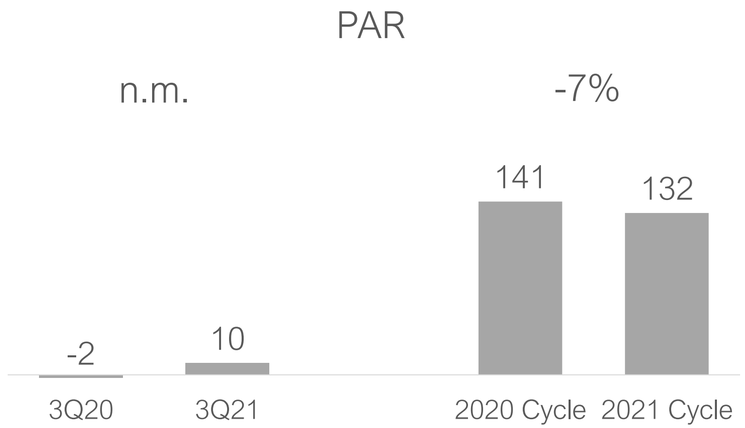
Values in R$ (million)











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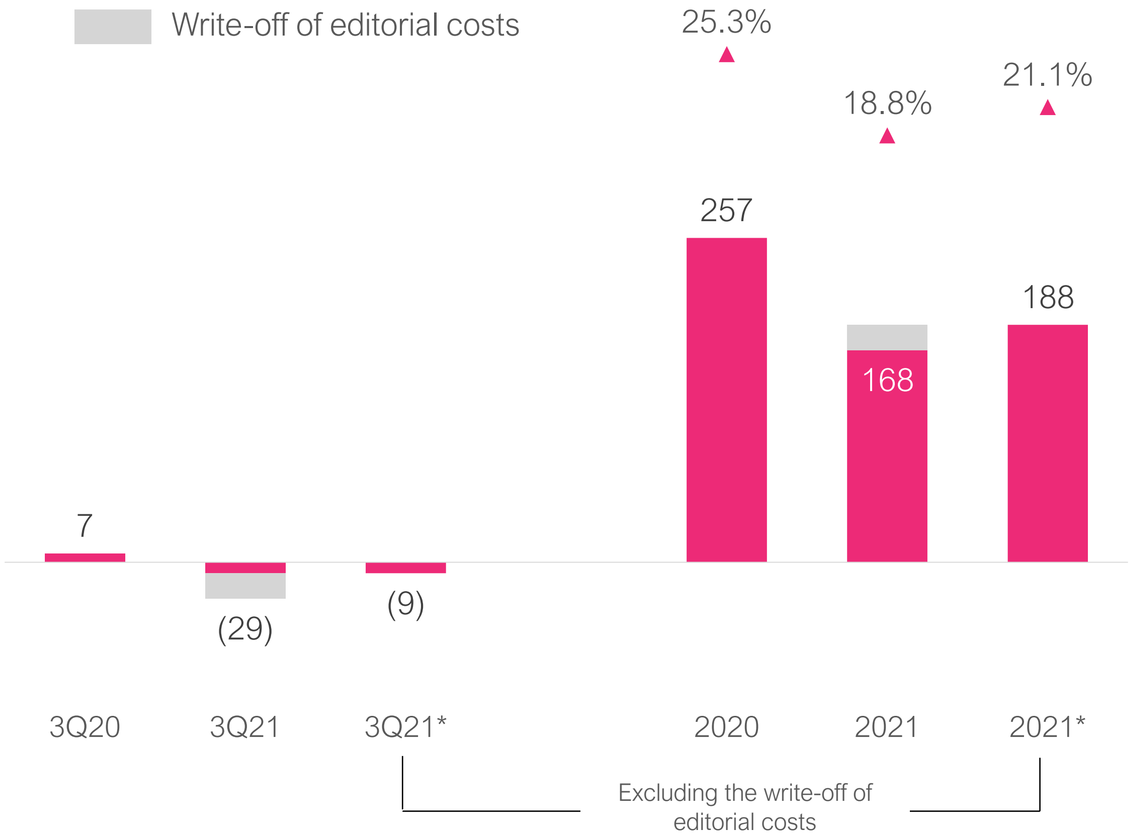
Note: 2021 cycle refers to the 2021 commercial year (4Q20 to 3Q21), while 2020 cycle refers to the 2020 commercial year (4Q19 to 3Q20).
The Business is comprised of two reportable operating segments: Content & EdTech Platform and Digital Platform. We are presenting in this slide a supplemental information in terms of the sub-segments composing the reportable operating ones

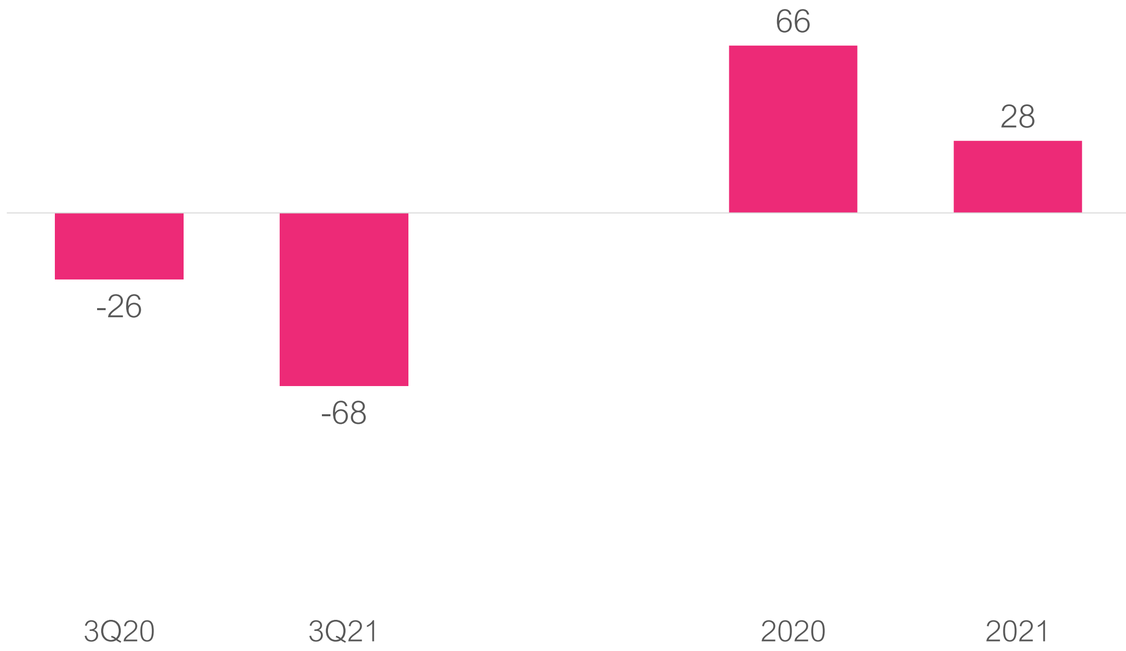
3Q21 Financial Highlights – Adjusted EBITDA and Net Profit

Values in R$ (million)

Adjusted EBITDA[1] and Adjusted EBITDA Margin



Adjusted Net Profit [1,2]

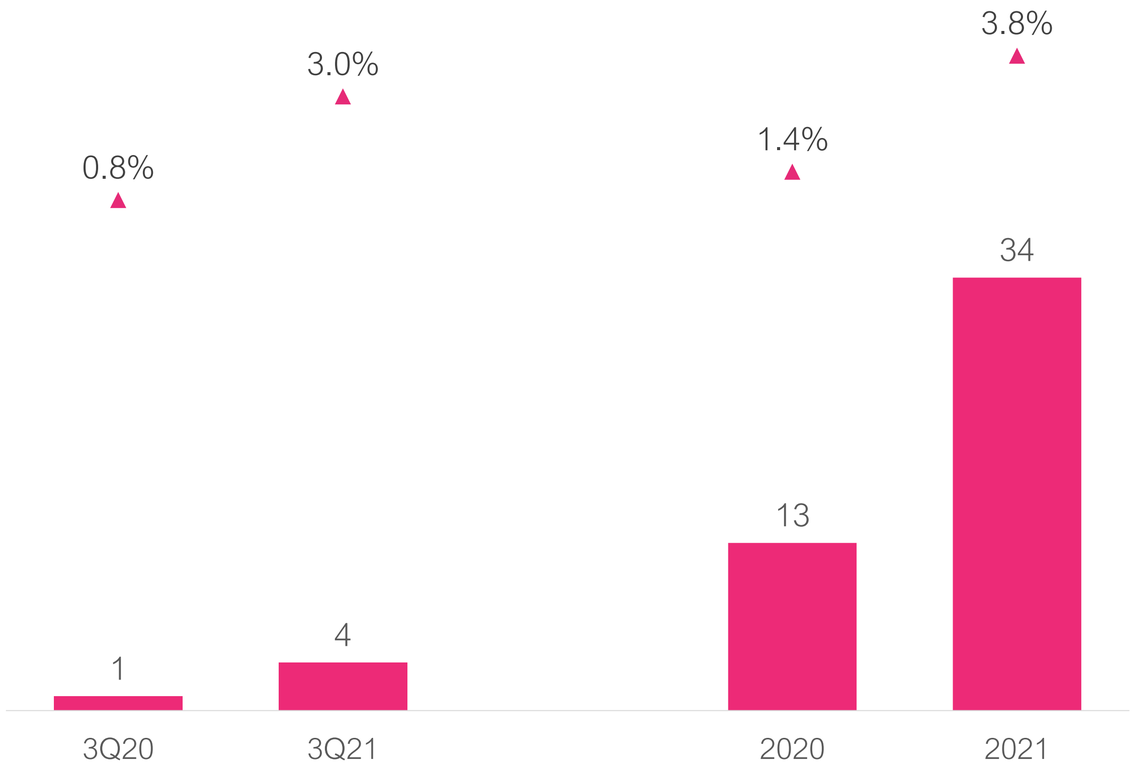


Note: 2021 cycle refers to the 2021 commercial year (4Q20 to 3Q21), while 2020 cycle refers to the 2020 commercial year (4Q19 to 3Q20).
1) Adjusted by non-recurring expenses, expenses with share-based compensation plans and IPO-related expenses. 2) Excluding non-recurring items, non-cash income tax expenses and amortization of intangible assets from business combination

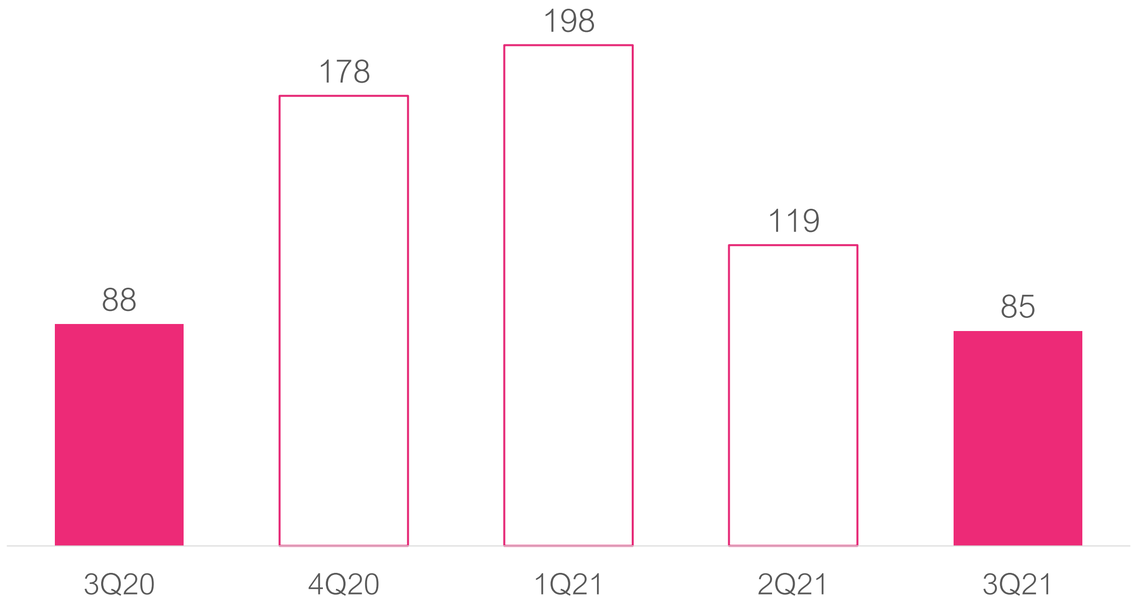
3Q21 Financial Highlights – PDA and Accounts Receivable

Values in R$ (million)

Expenses with Provision for Doubtful Accounts (PDA)



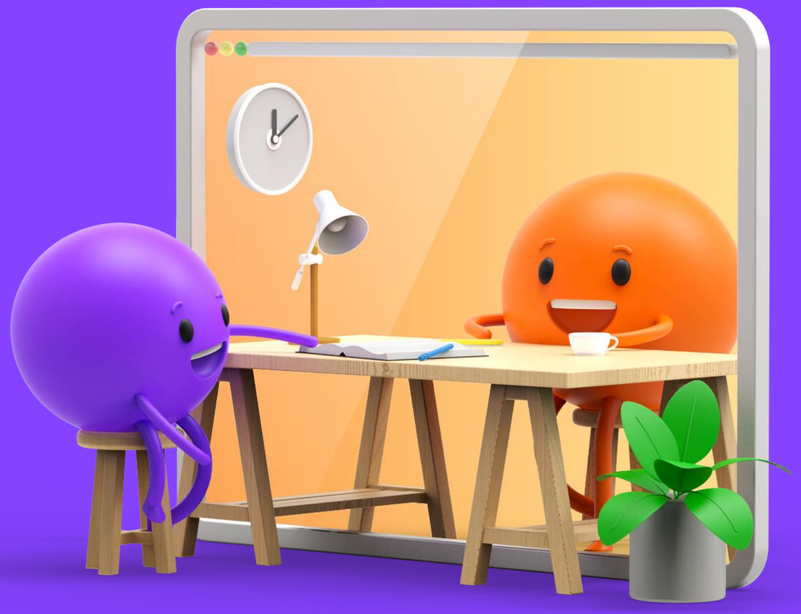
Average Days of Accounts Receivable(2)



Note: 2021 cycle refers to the 2021 commercial year (4Q20 to 3Q21), while 2020 cycle refers to the 2020 commercial year (4Q19 to 3Q20).
1) Estimated by management (unaudited). 2) Balance of accounts receivable at the end of the period divided by the last-twelve-month net revenue, multiplied by 360.

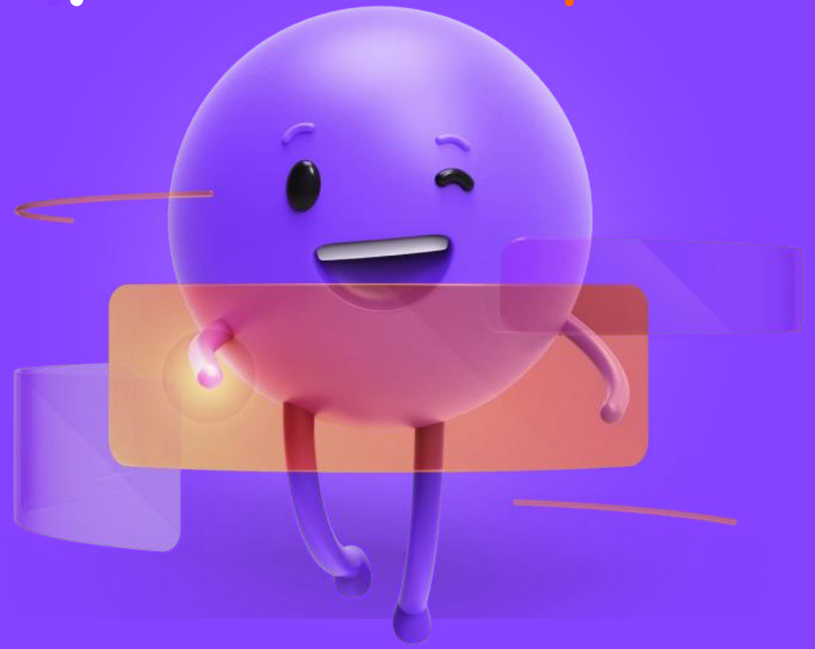
B2B2C: Plurall MeuProf and Plurall Adapta

plürall meu prof



Tutoring
All segments and subjects

plürall adapta



Adaptive learning prep
Secondary and High School

October 2021

- 1,208 teachers in enrollment process
- 15,533 students interested(1)
- Average price of R$ 86 per class

- 24,142 users accessed the freemium version
- 95,275 activities performed
- Average price of R$ 87 per student per quarter

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(1) Students that demonstrated interested by clicking in the landing page of the product or in another communication channel

Eleva

- On October 29, Vasta concluded the acquisition of Eleva platform, its biggest acquisition since the IPO
- Eleva adds not only a sizeable and complementary portfolio of schools, but also a long-term contract through which Vasta will be the exclusive provider of learning systems to almost all K-12 schools held by Eleva
- The execution of integration is happening as planned

Integration planning with clean team (Feb – Oct) → CADE approval (Oct, 22) → Closing (Oct, 29) → Integration execution

Key steps:

- Definition of the new organizational structure ✓
- Integration of editorial and digital content teams ✓
- Onboarding of Eleva schools and students in Plurall
- Integration of front-office teams for 2022 GTM
- Back-office integration

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M&A track-record

- Five acquisitions announced since the IPO
- Closing of Eleva on October 29 following the approval, without restrictions, by Brazil's Administrative Council for Economic Defense (CADE)
- M&A pipeline remains rich, and we are engaged in other transactions, which are at different stages

Nov-20 | **Mar-21** | **May-21** | **Aug-21** | **Oct-21**

meritt | SEL | RED nota 1000 | emme educação e marketing | Eleva Plataforma de Ensino

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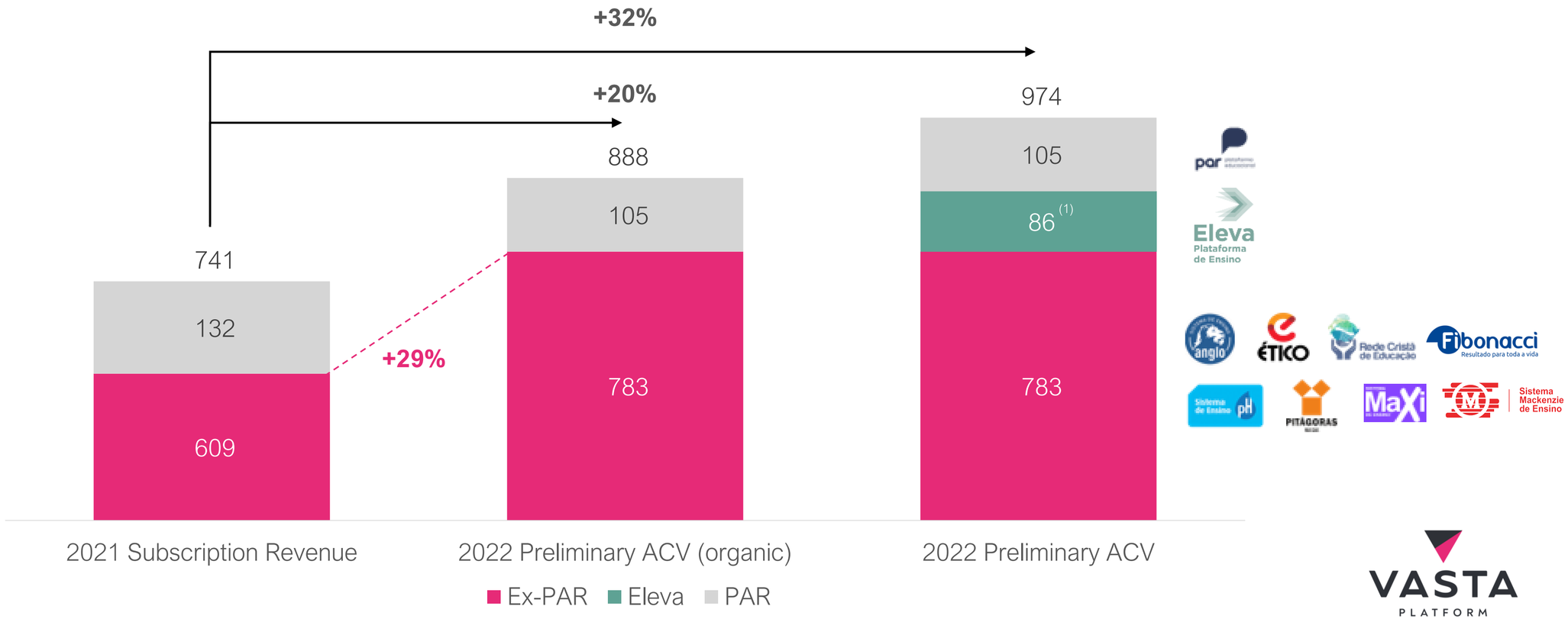
ACV 2022: 20% organic growth with still two months to go

- On October 31, our Preliminary ACV totaled **R$ 888 million, a 20% organic growth** over subscription revenue collected during the 2021 cycle. The sales campaign has still two months to go.
- Excluding paper-based PAR, **the organic growth was 29%**, as nearly 100% of our new sales have come from tradition learning systems, complementary solutions, or from our digital textbook platform
- With **Eleva**, our preliminary 2022 ACV totaled R$ 974 million, **32% higher** than 2021 subscription revenue.

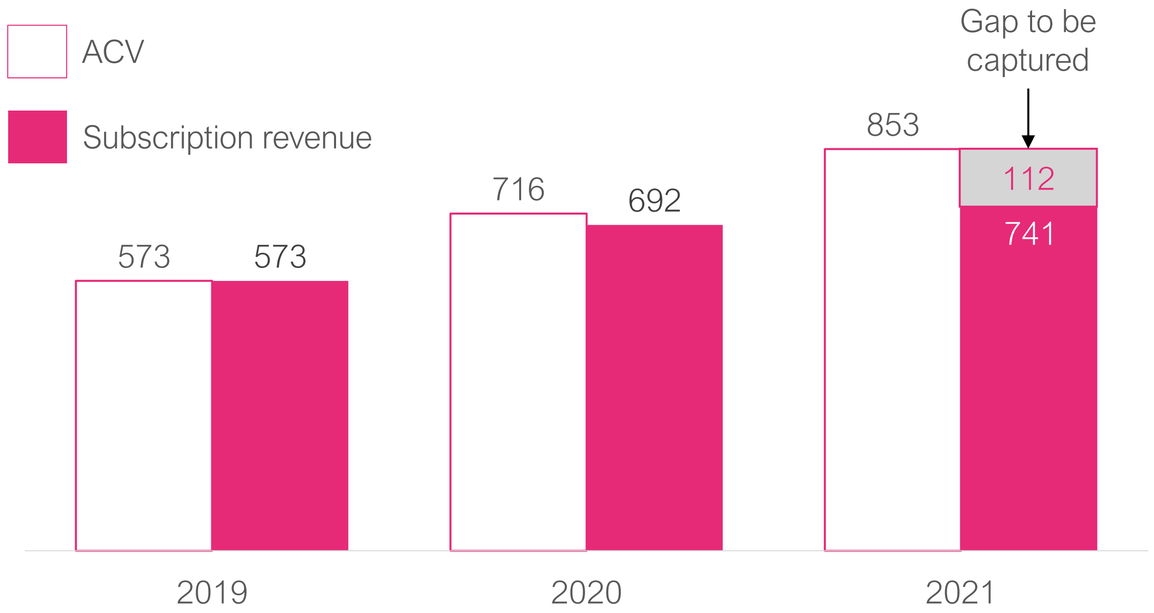


1) After the commercial discount foreseen by the long-term supply contract with Eleva. 2) Announcement date; closing is still pending CADE approval

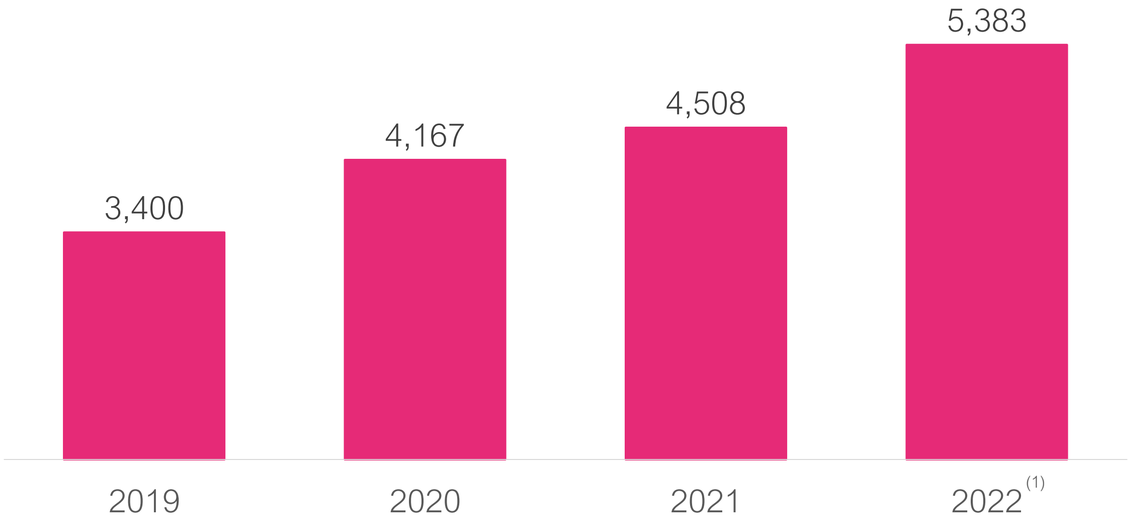
Upsides for 2022 and beyond

- Neither the return of students who dropped out from our partners schools' base in 2021 nor the normalization in the volume of textbooks typically acquired in a regular year were considered in our projections – this means that the R$ 112 million 2021 ACV gap could be captured in the upcoming years
- Larger client base allows Vasta to capture organic growth once K-12 student base normalizes; Vasta's client base will have more than 5,000 partner schools in the 2022 cycle, served by long-term contracts

ACV and Subscription Revenue



Number of Partner Schools



1) Preliminary data (October 31, 2021)

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