Arco announces a US$150 million investment from Dragoneer and General Atlantic

November 2021

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We have included in this presentation our Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income and Adjusted Net Income Margin, which are non-GAAP financial measures, together with their reconciliations, for the periods indicated. We understand that, although Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income and Adjusted Net Income Margin 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, Adjusted EBITDA Margin, Adjusted Net Income and Adjusted Net Income Margin 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.

Transaction Summary

Summary

- **Dragoneer and GA** will purchase Convertible Senior Notes for a cash purchase price equal to **US$150 million aggregate principal amount,** maturing in **7 years, on November 15, 2028**
- The Notes will bear interest at **8% per year fixed in BRL**, **payable quarterly in cash** in arrears in USD. This structure **mitigates currency risk**

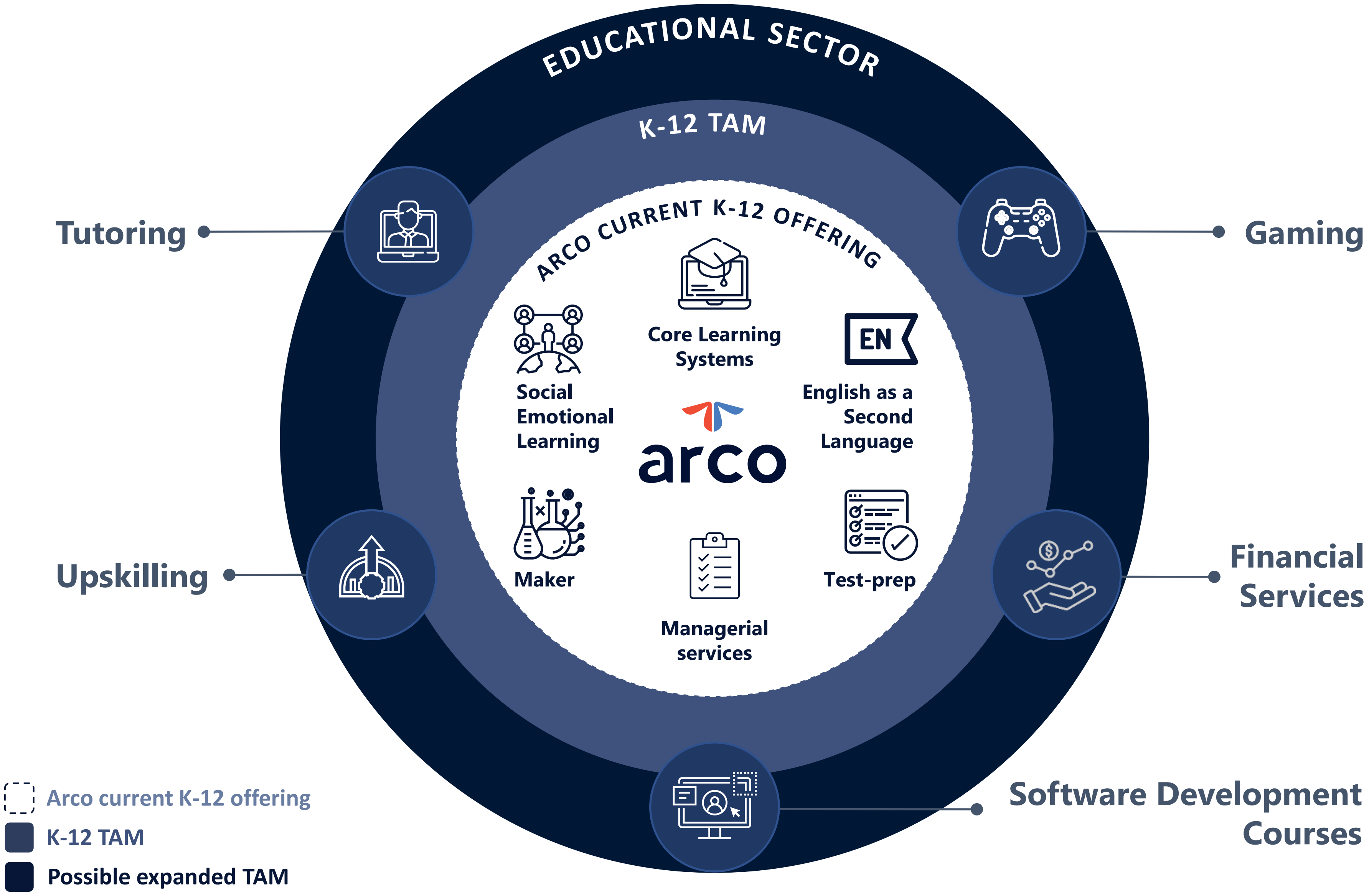
Stock Conversion

- Each Note will be **convertible** at the option of the holder at the set conversion rate, reflecting an initial conversion price of **US$29**
- The conversion rate represents a **65% premium** to the trailing 30-day volume-weighted share price and a **39% premium** to the trailing 30-day volume-weighted share price on October 19, 2021, when the deal was agreed to in principle
- Dragoneer and GA will beneficially own **5.6% and 2.8%, respectively, of the total shares of the Company** (on an as-converted basis).

Use of Proceeds

- Arco will use the proceeds to **fund its growth strategy**, which aims to **further growth in current markets and expand Arco's platform** in new verticals

Potential to expand TAM through tech-enabled, scalable and high-quality solutions and continue to explore growth opportunities in current markets



ADDITIONAL CAPITAL TO ACCELERATE GROWTH

- Scalable portfolio backed by high-tech solutions
- Potential to improve value proposition and increase share of wallet inside the school
- Strong cross-selling and up-selling opportunities
- Expansion of Arco's Education Ecosystem

Beginning a partnership with growth-oriented investor Dragoneer

DRAGONEER
INVESTMENT GROUP

- Dragoneer is a growth-oriented investment firm with over $21 billion in long-duration capital
- Dragoneer has an extremely selective investment approach, partnering with management teams growing exceptional companies characterized by sustainable differentiation and superior economic models
- The firm's track record includes public and private investments across industries and geographies, with a particular focus on technology-enabled businesses

US$21bn+
in AuM

150+
Invested companies

DRAGONEER HAS BEEN AN EARLY BACKER OF GLOBAL LEADERS

CONVERTS	mercado libre	FARFETCH	Spotify
SOFTWARE	slack	snowflake	UiPath
LATAM	nu	Loggi	grupo zapvivareal

Source: Company website.
Notes: [1]Notable investments were chosen based on specific similarities the invested companies have to: (i) Arco Platform (either LatAm-based or main product is software) or (ii) the type of financial product used in the capital raise. The selected investments should not be used to determine Dragoneer's funds performance. Some of the presented companies have already been divested by the firm.

Dragoneer has a strong track record in convertible offerings

mercado libre

- Dragoneer invested $100M through Series A Perpetual Convertible Preferred Stock with a conversion price of ~$480 per share
- PayPal, a key strategic partner for Mercado Libre, purchased $750M in common stock alongside Dragoneer's investment
- Capital was used to accelerate growth in payments and compound leadership position in ecommerce
- Stock price at announcement (3/11/2019): $481.11
- Stock price as of 11/17/21: $1,487.33

FARFETCH

- Dragoneer invested $125M in Farfetch through Convertible Senior Notes with a conversion price of $12.25 per share
- Capital was used to fuel growth and support Farfetch's long-term strategy of delivering a global technology platform for the luxury fashion industry
- Stock price at announcement (1/30/2020): $12.50
- Stock price as of 11/17/21: $45.11

Reestablishing the successful partnership with General Atlantic

GENERAL ATLANTIC

- General Atlantic is a leading global growth equity firm with more than four decades of experience investing in and building disruptive growth companies
- The firm seeks to partner with visionary entrepreneurs around the world to drive technological innovation and deliver lasting impact
- General Atlantic was an early investor in Arco in 2014 through 2020.

US$78bn
in AuM

445+
growth investments since 1980

NOTABLE INVESTMENTS[1]

LATAM	d·local 2020	xp 2013 2016	QUINTOANDAR 2018 2019
EDUCATION	arco 2014	BYJU'S The Learning App 2018	duolingo 2020
TECHNOLOGY	slack 2018	CROWDSTRIKE 2018	ByteDance 2017

Source: Company website.

Notes: [1]Notable investments were chosen based on specific similarities the invested companies have compared to Arco Platform (they either are LatAm based, belong to the education sector or its main product is technology). The selected investments should not be used to determine General Atlantic's funds performance. Some of the presented companies have already been divested by the firm.

Transaction Rationale

PARTNERSHIP WITH LONG-TERM GROWTH EQUITY INVESTORS

Dragoneer and GA have strong experience backing high growth and technology businesses around the globe, and will be valuable long-term partners for Arco

ALTERNATIVE FUNDING CHANNEL

The transaction represents an expansion of funding mix, allowing Arco to have a more balanced capital structure and access a diversified pool of investors

ATTRACTIVE ECONOMIC TERMS VIS-A-VIS PUBLIC MARKETS

Lower dilution compared to a traditional raise through equity, considering current market levels

The convertible notes also have a reasonably lower cost if compared to a pure senior indebtedness

Summary of Transaction Terms

Issuer	Arco Platform Limited (the "Company" or "Arco")
Investor	One or more affiliates of, or entities designated by Dragoneer and General Atlantic (collectively, the “Investors”)
Type of asset	US$150 million in Convertible Senior Notes, issued with denominations of US$1,000
Maturity Date	Each Note will mature on November 15, 2028 (the “Maturity Date”)
Interest/Interest Payment Dates	8% over a principal of R$825.3 million, which is equivalent to US$150 million at a FX rate of 5.5019 as of November 17, 2021
Conversion Rate	At any time on or after the Issue Date and prior to the Maturity Date, each Note will be convertible at the option of the holder at a conversion rate (the “Conversion Rate”) of 34.4828 Company Class A Common Shares per US$1,000 principal amount of Notes, reflecting an initial conversion price (the “Conversion Price”) of US$29.00 per Class A Common Share
Company Redemption	The Notes will not be redeemable at the Company’s option, except in connection with a Tax Redemption

Source: Factset

APPENDIX: Dragoneer Investment Case

Investment thesis

1. A **clear market leader** in Brazilian private school learning systems
2. **Track record of rapid organic growth** enhanced by accretive acquisitions
3. Software-like economic profile, with expansionary cohorts and minimal churn driving **profitability**
4. **Meaningful tailwinds** from fading pandemic and planned curriculum changes
5. **Schools love Arco**'s platform, which drives better student outcomes and clear ROI for schools
6. Proven track record of platform extension, with **further opportunities to expand** beyond core and supplemental segments
7. Strong **M&A capabilities**, with demonstrated success in several strategic acquisitions
8. **Entrepreneurial team**, with deep experience in education

1 Arco is a clear market leader in Brazil learning systems

CLEAR DOMINANT POSITION IN THE LEARNING SYSTEM SPACE

30%

of private school students using core digital learning systems use an Arco solution

1.4x

larger than the #2 digital player (2021 ACV)

3.5x

larger than the #2 digital platform in supplemental (2021 ACV)

STRENGTHENS ARCO'S POSITION TO CAPTURE SUBSTANTIAL GROWTH POTENTIAL

16%

market share of the 8M K-12 Brazil private school students on core solutions, with ample headroom for growth

AND CREATES A POWERFUL CHANNEL TO DISTRIBUTE ADDITIONAL OFFERINGS TO OUR CLIENT BASE

1%

market share[1] for supplemental solutions, an untapped segment with strong tailwinds

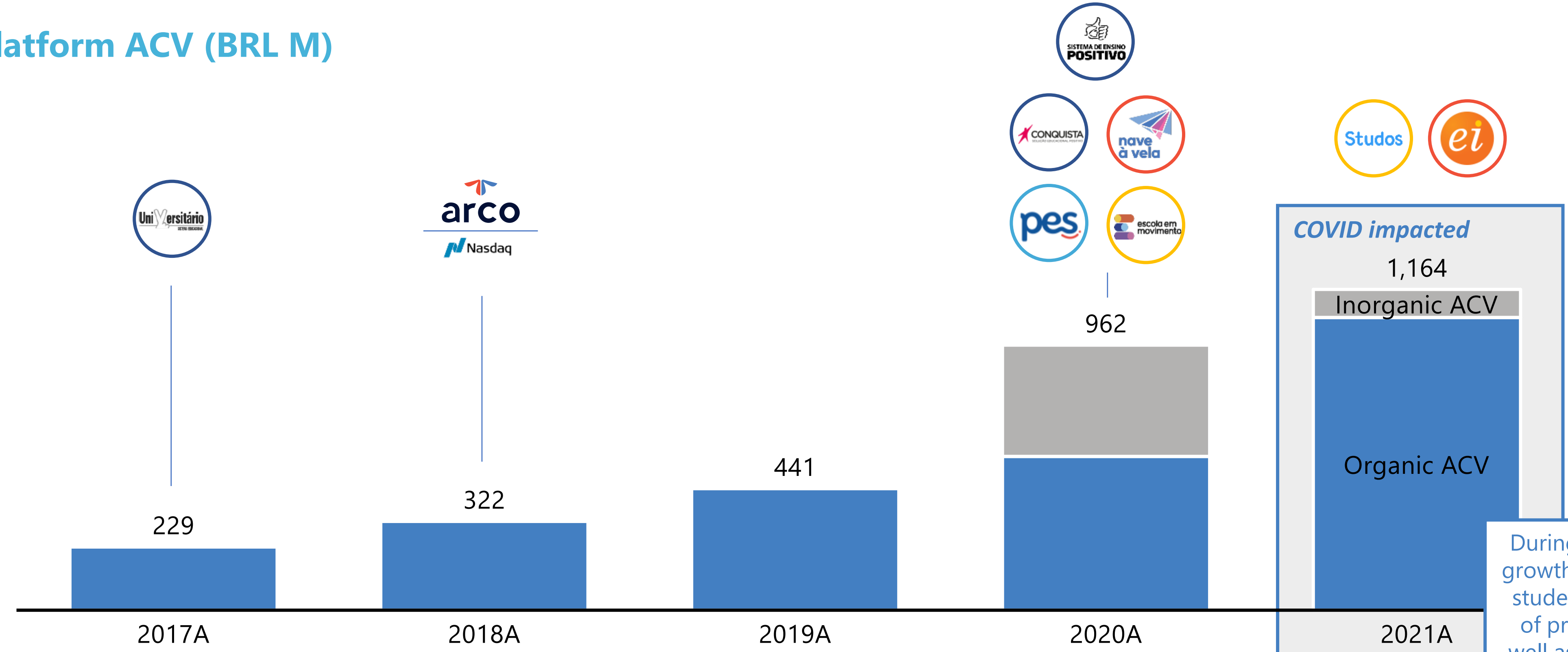
90%

of Arco's core students don't yet use any of its supplemental offerings

Source: Public filings; Dragoneer-commissioned market analysis. 1. Source: EY Parthenon, 2019.

Track record of rapid organic growth enhanced by strategic acquisitions

Arco Platform ACV (BRL M)



During COVID-19, ACV growth was impacted by students dropping out of private schools, as well as delays in school purchasing cycles

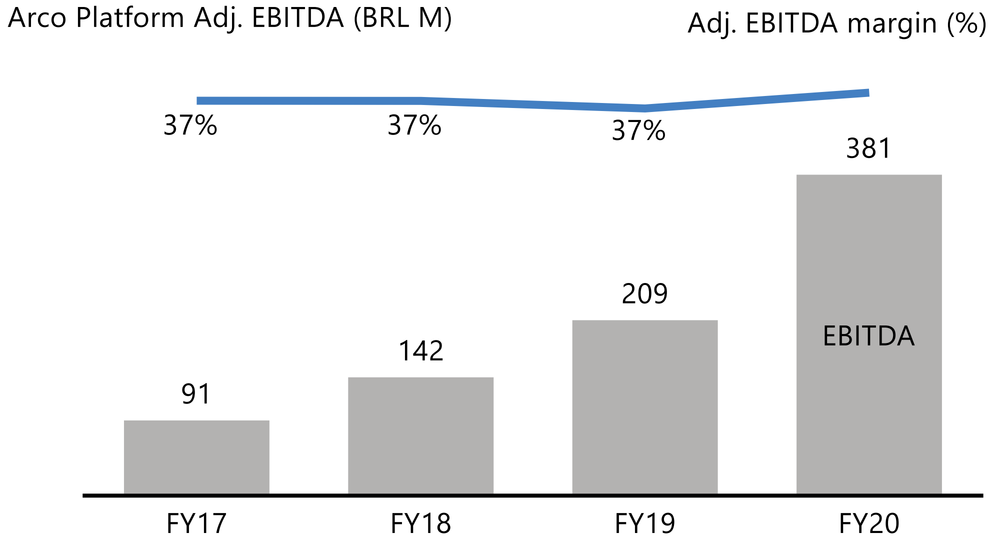
	2017A	2018A	2019A	2020A	2021A
Core organic growth		32%	24%	23%	12%
Total organic growth		41%	37%	30%	7%
Total ACV growth		41%	37%	118%	21%

Note: Acquisitions before 2020 not material and not specifically shown

3 Software-like economic model drives strong profitability alongside rapid growth

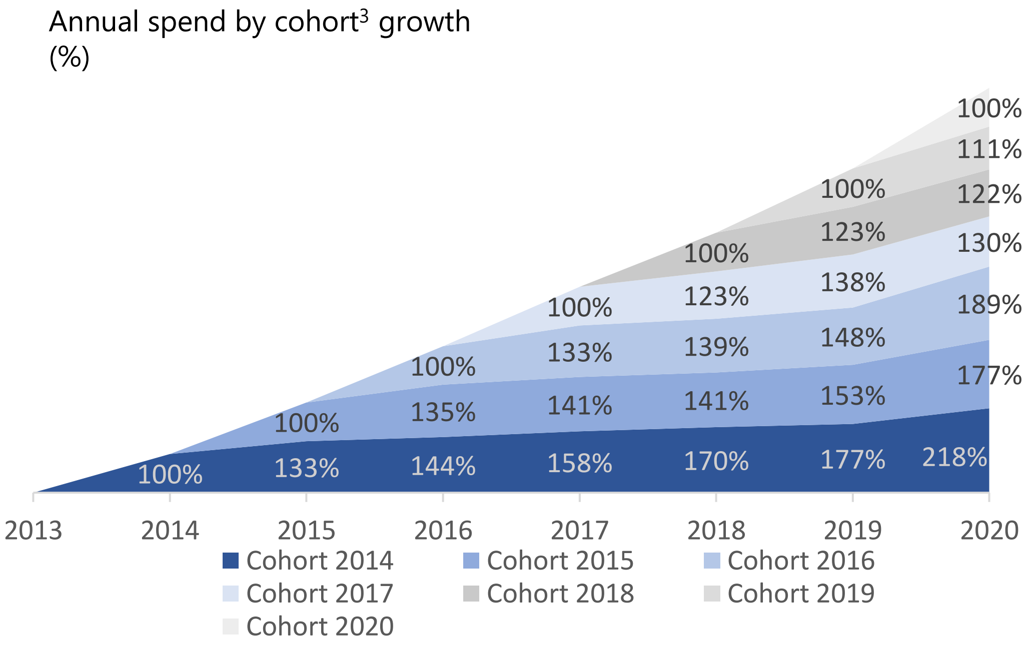
Arco Platform Adj. EBITDA

- History of near-40% adj. EBITDA margins
- Most mature brands on Arco's platform have adjusted EBITDA margins upwards of 55%, growing ACV ~23% YoY[5]
- Further opportunities for margin expansion as Arco integrates acquired brands and consolidates systems (e.g. taking operational systems from 23 to ~8)



Compelling unit economics

- Expansionary cohorts, with existing cohorts growing an average of 22% in the first year[1]
- Software-like gross margins at 80%+[2]



Note: 1. Includes 2014-2019 cohorts. Calculated as 5-year CAGR on sales-weighted average of cohorts from 2014 – 2019
2. Referencing gross margins for full year 2019 – 2020 3. Annual spend by cohort does not include cross-sell 4. Based on FY2020 5. Based on 2020 ACV

4 Meaningful tailwinds from fading pandemic and curriculum changes

Schools are resuming purchasing of learning systems after 'hitting pause' during 2020

48% *of schools not currently using learning systems agreed that COVID-19 delayed purchase or implementation of learning systems*[1]

88% *of parents expect kids to return to fully in-person schooling by Q1'22*[2]

"Before the pandemic, there was some resistance to learning systems from teachers. But over the last year, institutions that weren't using technology really suffered… Now, we are seeing accelerated adoption of learning systems."

Academic Director, School #4

NEM[3] curriculum changes encourage schools to use learning systems and increase supplemental offerings

61% *of schools believe NEM curriculum regulations will accelerate adoption of core learning systems*[1]

78% *of schools surveyed expect their supplemental offerings to increase over the next few years* [1]

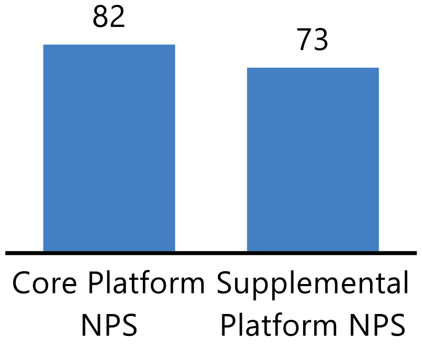
"Many schools are still unprepared for the curriculum changes associated with NEM. Learning systems support schools with new content and how to operate in this new curriculum."

Head of Learning, School #3

Source: 1. Survey of Brazil schools (N=1,103) in September 2021 2. Survey of parents (N=683) in September 2021; industry participant interviews. 3. NEM stands for *Novo Ensino Médio* ("New High School").

Schools love Arco's platform, which drives better student outcomes and clear ROI for schools

School NPS & feedback

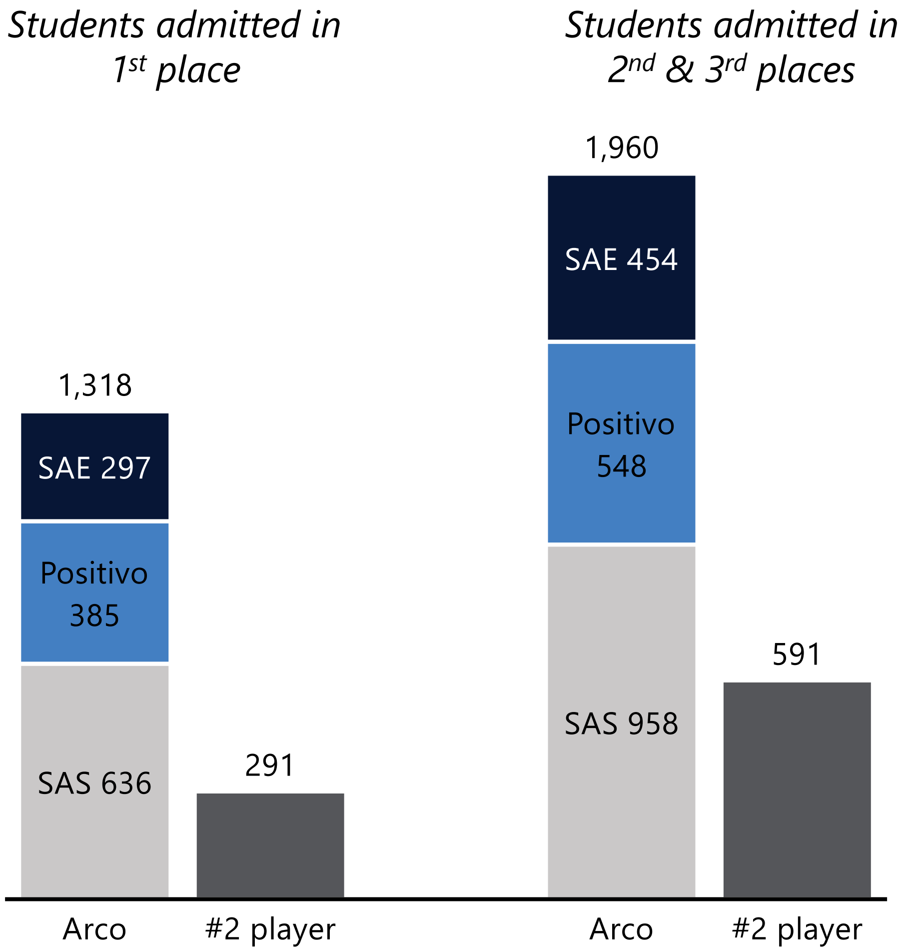


SAS and SAE, the most tenured brands in Arco's platform, have an average NPS of 88[1]

"Arco's platform is amazing – it allows students and teachers to create flexibility in the plan of study. Not only are teachers acquainted with the system, but parents too."
Director, School #2

"I've been a school director for over 35 years, and I believe that SAS is the strongest learning system I have seen. It has the best results in entrance exams, and allows students to go deeper on their subjects"
Director, School #1

Public university admissions through ENEM

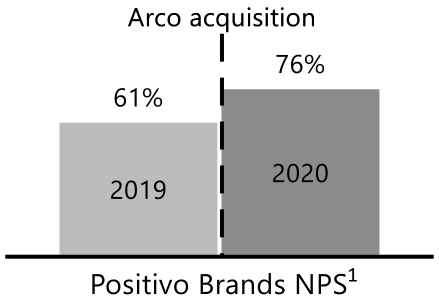


Note: ENEM is the national high school exam, the main national standardized test for university entrance in Brazil. 1. Average NPS calculated by taking average of 2020 NPS for SAS and SAE, weighted by ACV.
Source: industry participant interviews, SiSU 2021

6 Demonstrated success in improving acquired brands

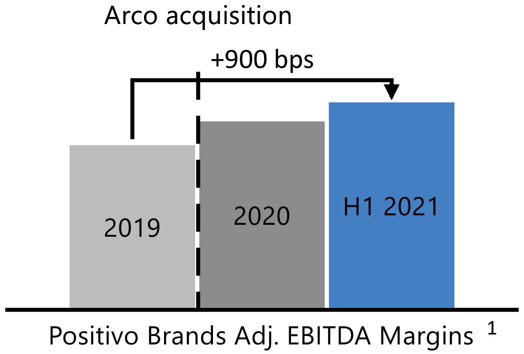
Notable improvements in Positivo following acquisition

Higher NPS



+15 percentage point improvement in NPS for Positivo brands following Arco acquisition

Better retention, margins and growth



+900 bps improvement in adj. EBITDA margin for Positivo brands following Arco acquisition[3]

+800 *bps improvement in gross student retention for Positivo brands at year 2 following Arco acquisition*

+600 *bps improvement in ACV growth for Positivo brands at year 2 following Arco acquisition[4]*

Similar results for other acquired brands

- Arco's results with Positivo are mirrored among Arco's other acquired brands
- On average, acquired brands see a +13 point improvement in NPS one year after acquisition by Arco[2]
- Brands show better retention and improving margin profile (e.g. SAE improved retention by ~10+ points)

Arco's approach

- Arco makes three main improvements to acquired brands:
  - **Commercial team:** Hire and train hunters vs. farmers; leverage Arco's existing relationships and market knowledge
  - **Technology:** All content brands operate on Arco's central tech backbone
  - **Content:** Strong investment in content development, with frequent content updates and a centralized team.
- These changes can take up to ~2-3 commercial cycles to fully implement

Note: 1. Positivo brands include Positivo, Conquista and PES. 2. NPS calculation includes Positivo, Conquista, PES and Nave a Vela 3. Calculated percentage point improvement between 2019 and H1'21 4. Calculated improvement between 2020 ACV growth rate and 2021 ACV growth rate

7 Expansive growth opportunities in core, supplemental and beyond

1.

Continue to grow organically by disrupting textbooks and gaining share in learning systems

Upsell: increasing the number of grades using Arco core LS in existing schools would add ~480K students[1]

Cross sell: 89% of Arco core students don't yet use a supplemental solution

Pricing: 79% of parents rank education as the #1 most important discretionary spending category[4]

2.

Pursue disciplined and accretive M&A to gain scale, expand portfolio of brands and enter new verticals

Arco today has ~1% market share in a ~R$18.7B supplemental TAM[2]

Acquisitions will deepen Arco's presence in existing verticals, and expand into new supplemental verticals

Plethora of potential acquisition targets, with ~400 EdTech players in Brazil.

3.

Make **selected bets in new markets** that offer exciting growth potential but demand different capabilities

Arco will make selective bets in areas with enormous growth potential

Potential new markets include technical education (~R$600M opportunity[3]), school payment solutions (R$1B+ opportunity[3]), B2G (~36M students), education as a benefit (R$35B+ market), international and other "moonshot" ventures

1. As of Dec 31, 2020 (2020 school year). 2. Market share calculated by taking the ACV in each segment and dividing by the corresponding market size. 3. Based on Dragoneer-commissioned market analysis.
4. Based on survey of parents (N=683) in September 2021; Sources: EY-Parthenon; Distrito EdTech report.

8 Founder-led, entrepreneurial team, with extensive experience

Ari de Sá Cavalcante Neto
CEO / Founder

Ari founded Arco platform to bring his family's powerful pedagogical approach to hundreds of schools across Brazil. In 1941, Ari's grandfather purchased a school in Fortaleza. Over the years, his father, Mr. Oto de Sá Cavalcante, developed a thorough system of content and a network of proprietary schools which produced outstanding student outcomes, with 7,000 students nationally recognized. In 2004, Ari adapted his father's methods into a content and technology platform called SAS, giving K-12 schools across Brazil the opportunity to improve students' learning experience. Since then, Arco has evolved into a robust omnichannel platform, with several brands delivering comprehensive content alongside engaging technology for students, teachers and parents to track their progress and tailor instruction. Today, Arco reaches over six thousand schools and 1.8 million students.

Roberto Otero
CFO

João Cunha
SAS CEO

Daniel Moreira
Positivo CEO

Bernardo Dorigo
Arco Plus

Renata Machado
CHRO

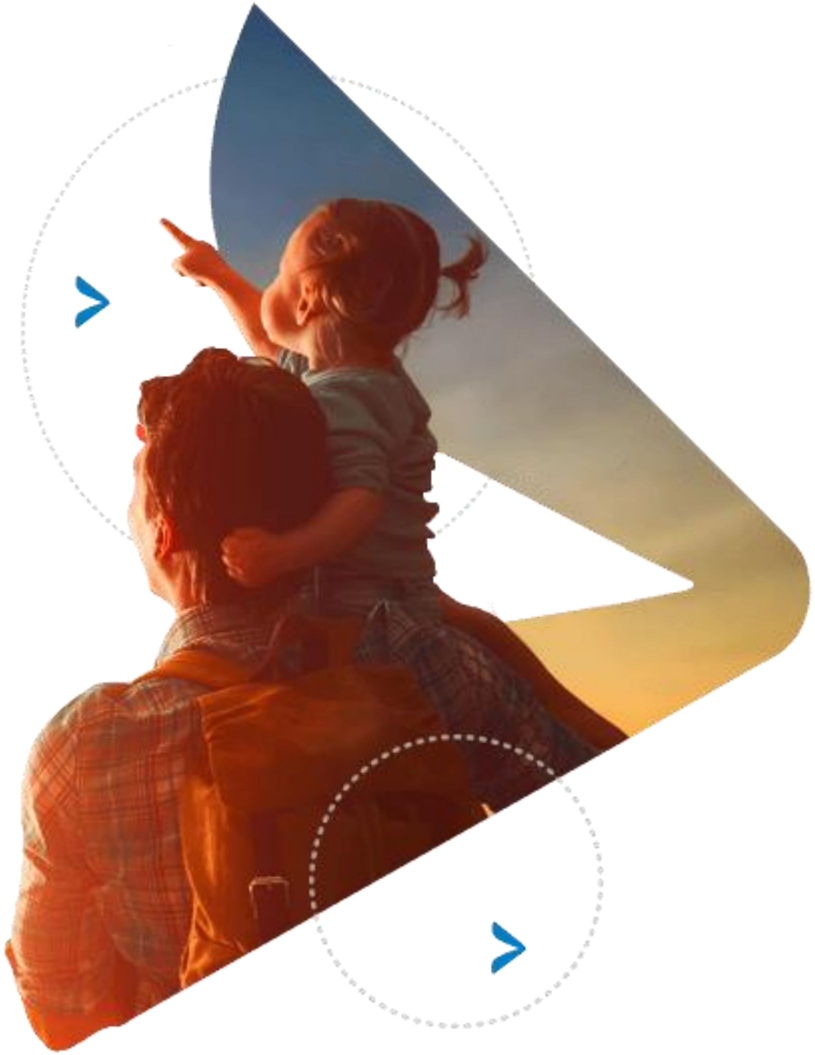
Pedro Guerra
COO

Renato Junqueira
M&A Director

Juliana Gregory
Arco Institute and ESG Director

Selected experience

Bank of America | BCG The Boston Consulting Group | Itaú | Bain & Company | McKinsey & Company | Bain & Company | actis / Genesis Group | Fundação Lemann



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Adjusted EBITDA reconciliation

In R$, 000´s (unaudited)

Adjusted EBITDA Reconciliation	FY19	FY20	6M20	6M21
Profit (Loss) for the period	**(9,431)**	**16,780**	**20,065**	**(8,208)**
(+/-) Income taxes	(33,103)	22,322	12,994	3,785
(+/-) Finance result	98,808	96,802	46,912	62,238
(+) Depreciation and amortization	48,314	127,455	60,048	93,475
(+/-) Share of loss of equity-accounted investees	1,800	(409)	3,999	2,751
EBITDA	**106,388**	**262,950**	**144,018**	**154,041**
(+) Share-based compensation plan, RSU and provision for payroll taxes	66,978	69,846	31,440	21,048
(+) M&A expenses	28,848	13,751	3,991	7,850
(+) Non-recurring expenses	7,142	19,488	10,058	6,558
(+) Effects related to COVID-19 pandemic	-0	14,990	7,993	1,152
Adjusted EBITDA	**209,356**	**381,025**	**197,500**	**190,649**
Net revenue	572,837	1,001,710	496,443	587,973
EBITDA Margin	18.6%	26.3%	29.0%	26.2%
Adjusted EBITDA Margin	**36.5%**	**38.0%**	**39.8%**	**32.4%**

Adjusted Net Income reconciliation

In R$, 000´s (unaudited)

Adjusted Net Income Reconciliation	FY19	FY20	6M20	6M21
Profit (loss) for the year	**(9,431)**	**16,780**	**20,065**	**(8,208)**
(+/-) Adjustments related to business combination	153,618	163,455	79,625	104,265
(+) Amortization of intangible assets from business combinations	23,173	76,067	36,235	49,752
(+/-) Changes in accounts payable to selling shareholders	89,403	20,330	6,894	489
(+) Interest on acquisition of investments, net (linked to a fixed rate)[1]	5,681	25,432	16,256	14,452
(+) Interest on acquisition of investments, net (adjusted by fair value)[2]	35,361	41,626	20,240	39,572
(+) Share-based compensation plan, RSU and provision for payroll taxes	66,978	69,846	31,440	21,048
(+/-) Changes in fair value of derivative instruments	(473)	(562)	(859)	0
(+) Share of loss of equity-accounted investees	1,800	(409)	3,999	2,751
(+) Foreign exchange on cash and cash equivalents	555	(188)	180	4,092
(+) M&A expenses	28,848	13,751	3,991	7,850
(+) Non-recurring expenses	7,142	19,488	10,058	6,558
(+) Effects related to COVID-19 pandemic	0	14,990	7,993	1,152
(+/-) Tax effects	(79,569)	76,898	(42,424)	(42,055)
Adjusted Net Income	**169,468**	**220,253**	**114,068**	**97,453**
Net revenue	572,837	1,001,710	496,443	587,973
Adjusted Net Income Margin (%)	**29.6%**	**22.0%**	**23.0%**	**16.6%**

1) Refer to interest expenses on liabilities related to business combinations and investments in associates that are linked to a fixed rate (CDI or SELIC). 2) Refer to interest expense on liabilities related to business combinations and investments in associates that are adjusted by the fair value of the acquired business.