nerdy®

Investor Presentation

Chuck Cohn, CEO

Jason Pello, CFO

Q2 2021

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Further, the Company projections exclude or otherwise do not account for the following: (i) non-recurring expenses, including de-SPAC transaction expenses; (ii) the application of new accounting treatments associated with the de-SPAC transaction; (iii) the expense related to Unit Appreciation Rights ("UARs") held by Nerdy employees which will be converted into Stock Appreciation Rights ("SARs") in connection with the de-SPAC transaction; and (iv) the impact of any future non-cash compensation changes. Actual results can be expected to vary and those variations may be material. Accordingly, there can be no assurance that the prospective results are indicative of the future performance of the Company or that actual results will not differ materially from those presented in the prospective financial information.

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These non-GAAP measures are in addition, and not a substitute for or superior, to measures of financial performance prepared in accordance with GAAP and should not be considered as an alternative to sales, net income, operating income, cash flows from operations, or any other performance measures derived in accordance with GAAP. Other companies may calculate these non-GAAP financial measures differently, and therefore such financial measures may not be directly comparable to similarly titled measures of other companies. The Company believes that these non-GAAP measures of financial results (including on a forward-looking basis) provide useful supplemental information. The Company's management uses forward looking non-GAAP measures to evaluate the Company's projected financial and operating performance, its trends and to compare it against the performance of other companies. There are, however, a number of limitations related to the use of these non-GAAP measures and their nearest GAAP equivalents.

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In connection with the proposed business combination, TPG Pace has filed a registration statement on Form S-4 and the related proxy statement/prospectus with the SEC. Additionally, TPG Pace will file other relevant materials with the SEC in connection with the proposed business combination. The materials to be filed TPG Pace with the SEC may be obtained free of charge at the SEC's website at www.sec.gov. Investors and security holders of TPG Pace are urged to read the proxy statement/prospectus and the other relevant materials when they become available before making any voting or investment decision with respect to the proposed business combination because they will contain important information about the business combination and the parties to the business combination.

Participants in the Solicitation

TPG Pace, Nerdy and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies of TPG Pace's shareholders in connection with the proposed business combination. Investors and security holders may obtain more detailed information regarding the names, affiliations and interests of certain of TPG Pace's executive officers and directors in the solicitation by reading the registration statement on Form S-4 and the related proxy statement/prospectus filed in connection with the business combination and other relevant materials filed with the SEC in connection with the business combination when they become available. Other information concerning the interests of participants in the solicitation, which may, in some cases, be different than those of their shareholders generally, is set forth in the proxy statement/prospectus.

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TPG PACE TECH OPPORTUNITIES

Investment Thesis

- Large TAM Ripe for Disruption
- Leading Direct to Consumer Platform for Learning
- Attractive Unit Economics
- Scalable Technology Platform
- Network Effects and Data Create Deep Competitive Moat
- Business is at an Inflection Point. Re-Opening Driving Business Acceleration
- Creating Positive Change
- Experienced, Entrepreneurial Team

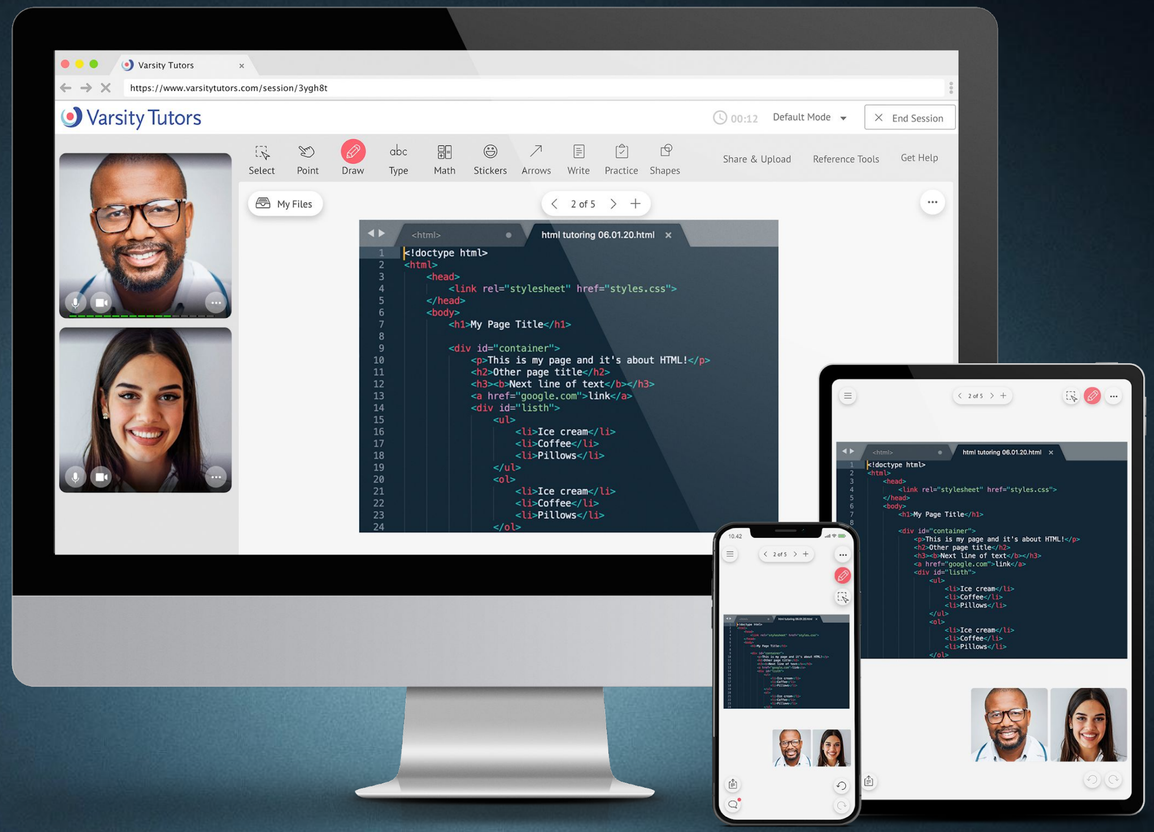
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nerdy
CONNECTING
Learners & Experts
any subject | anywhere | anytime

Flagship Business:

Varsity Tutors

Leading platform for live, online instruction



4.7M+ hours 2020 Live Instruction Hours[1]

3,000+ subjects broadly distributed across diverse audiences[1]

Legacy Businesses:

Veritas Prep

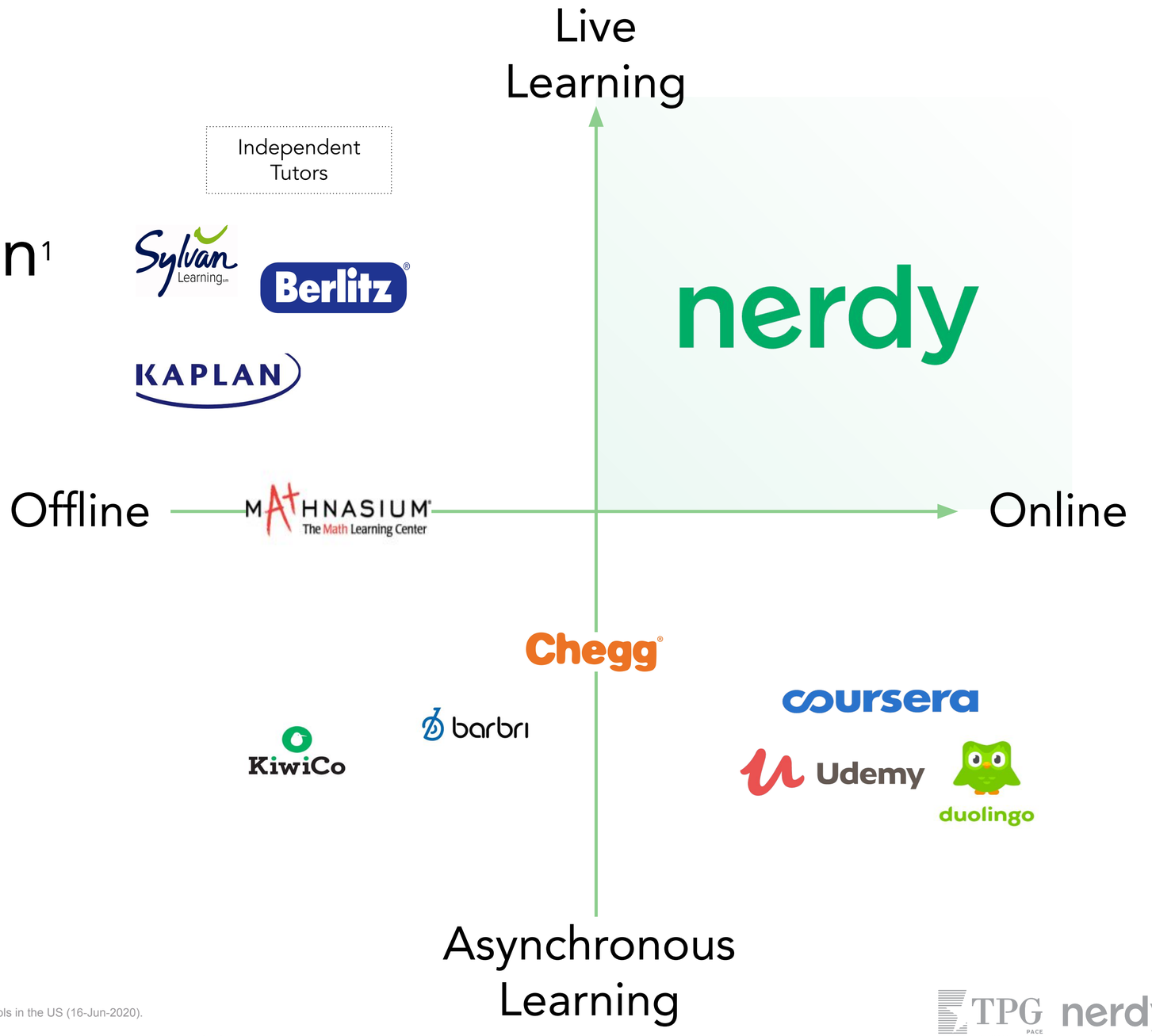
FirstTutors™ UNITED KINGDOM

1. Leading online instruction platform in the United States claim based on live hours in 2020 and subject breadth. Amounts exclude Legacy Businesses.

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Our personalized live, online platform is well positioned in the $62bn[1] direct-to-consumer learning market



<10%

of learners think the quality of instruction is better pre-recorded than it is live[2]

1. Projected. Technavio, US Private Tutoring Market (2020-2024); Technavio, US Test Preparation Market (2020-2024); IBISWorld: Fine Arts Schools in the US (16-Jun-2020).
2. Survey of 1,000 Parents of K-12 students conducted by Halsted Strategy Group, Nov 2020.

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A Comprehensive Learning Destination

Going beyond one-on-one to meet more learning needs

A continuous, multi-format learning experience

One-on-One
Personal Instruction

Adaptive Self Study
Assessments & Practice Problems

Small Group Classes
Average 5-15 participants

Large Group Classes
500-50K participants



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Nerdy by the Numbers

$33M Total Revenue[1] Q2-21	**+52%** Total Revenue Growth[2] Q2-21 YoY Growth	**65%** Gross Margin Q2-21
+80% Active Learner Growth[3] Q2-21 YoY Growth	nerdy	**+109%** Online Session Growth[4] Q2-21 YoY Growth
>3x LTV/CAC[5]	**68** 2020 Paid Learner Avg. NPS Score[6]	**>500K** Learners Accessed Free Classes 2020

1. Q2 2021 total revenue shown on U.S. GAAP basis.
2. Online learning format revenue, defined as one-on-one online revenue and online group classes revenue and includes in-person revenue. Transition to 100% online was completed in April 2020.
3. Active Learners defined as the unique number of Learners attending a paid online one-on-one session or a paid online class in a given period. Amounts exclude Legacy Businesses and VT+.
4. Online Sessions are defined as the number of online one-on-one sessions and the number of paid online group class attendees in a given period. Amounts exclude Legacy Businesses and VT+.
5. Total Net Sales Lifetime Value ("LTV") defined as new one-on-one customer cohort actual spend for historical months and forecasted revenue for future periods, minus actual and forecasted cost of goods sold, extrapolating full-quarter trends since transition to 100% online and launch of multi-learning destination strategy. Customer Acquisition Cost ("CAC") defined as Q1-21 "Sales & Marketing Expense" to acquire a new customer, excluding test marketing spend, defined as marketing expense for free classes, School at Home, television and test marketing, and excluding payroll or outside consultant expenses. Amounts exclude Legacy Businesses and VT+. Net sales is a non-GAAP measure representing client purchases inclusive of payments due within 30 days minus refunds recorded during the period, a close proxy for cash receipts from customers.
6. Net Promoter or Net Promoter Score is the percentage of customers rating their likelihood to recommend a company, a product, or a service to a friend or colleague as 9 or 10 minus the percentage rating this at 6 or below on a scale from 0 to 10. Varsity Tutors client trigger-based NPS survey data, Q2-Q4 2020; n=700.

Note: Quarterly financial information is unaudited.

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Second Quarter Product Highlights

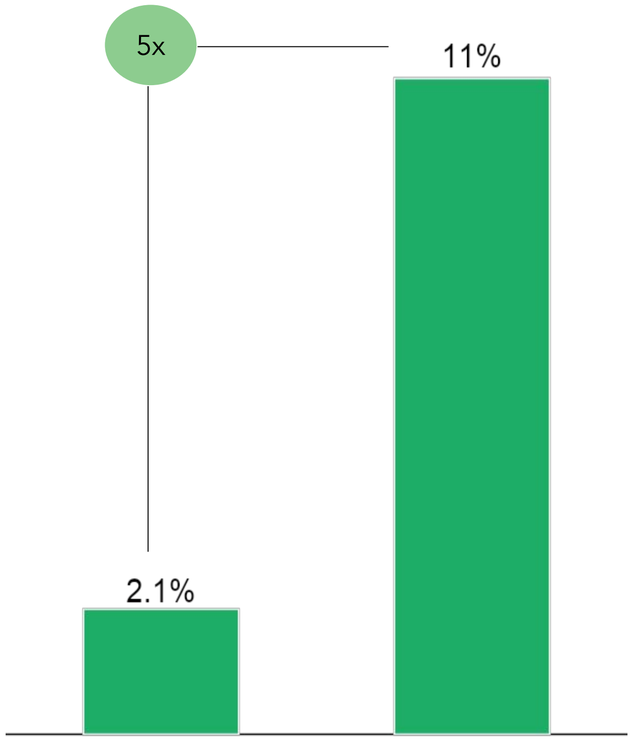
- Invested in expanding subject breadth and the frequency of our small group class offering to drive growth and reach new audiences, which resulted in small group class revenue increasing over 300% year-over-year during the second quarter
- Hosted over 50 StarCourses, completing our 150th StarCourse in June 2021
- Integrated multiple formats into a singular offering for Summer Camps, weaving together Small Group Classes, Self-Study, and Large Group Classes into a really cohesive and engaging experience
- Launched “Varsity Tutors for Schools,” a solution designed to help state educational agencies, school districts, and students overcome COVID learning loss, and accelerate learning by meeting the unique needs of every student with evidence-based, high dosage tutoring



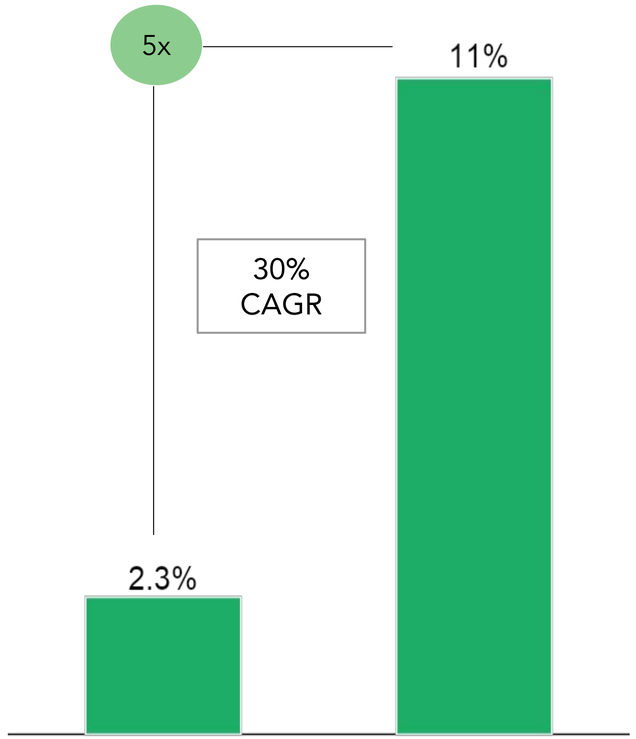
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Learning's Digital Transition is Happening Now at a Faster Rate than Previous Online Adoptions

U.S. E-Commerce Digital Share (%)[1]



Global Learning Digital Share (%)[1]



Market Size[1]:

$72B → $600B

$160B → $1T

73%

Are more likely to use online learning compared to a year ago[2]

92%

Plan to use online learning services going forward[2]

1. Dawn of the Age of Digital Learning, Michael Moe, GSV, May 6, 2020.
2. Survey of 1,000 Parents of K-12 learners conducted by Halsted Strategy Group, April 2021.

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COMPETITIVE ADVANTAGE

Quality Experts

What We Do

We have built a sizeable network of top Experts nationwide. Instruction is delivered through our online platform, reducing geographic limitations on finding quality Experts in any subject

Why It Matters

Expert quality is critical to delivering a great learning experience and building trust and credibility

Different Compared to...

- Online directories
  - limited curation or quality assessment
- Legacy brick and mortar
  - limited to supply in local geography



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COMPETITIVE ADVANTAGE

Scaled Selection

What We Do

Scaled quality live instruction available in 3,000+ subjects - ability to identify and build supply of Experts across thousands of topics

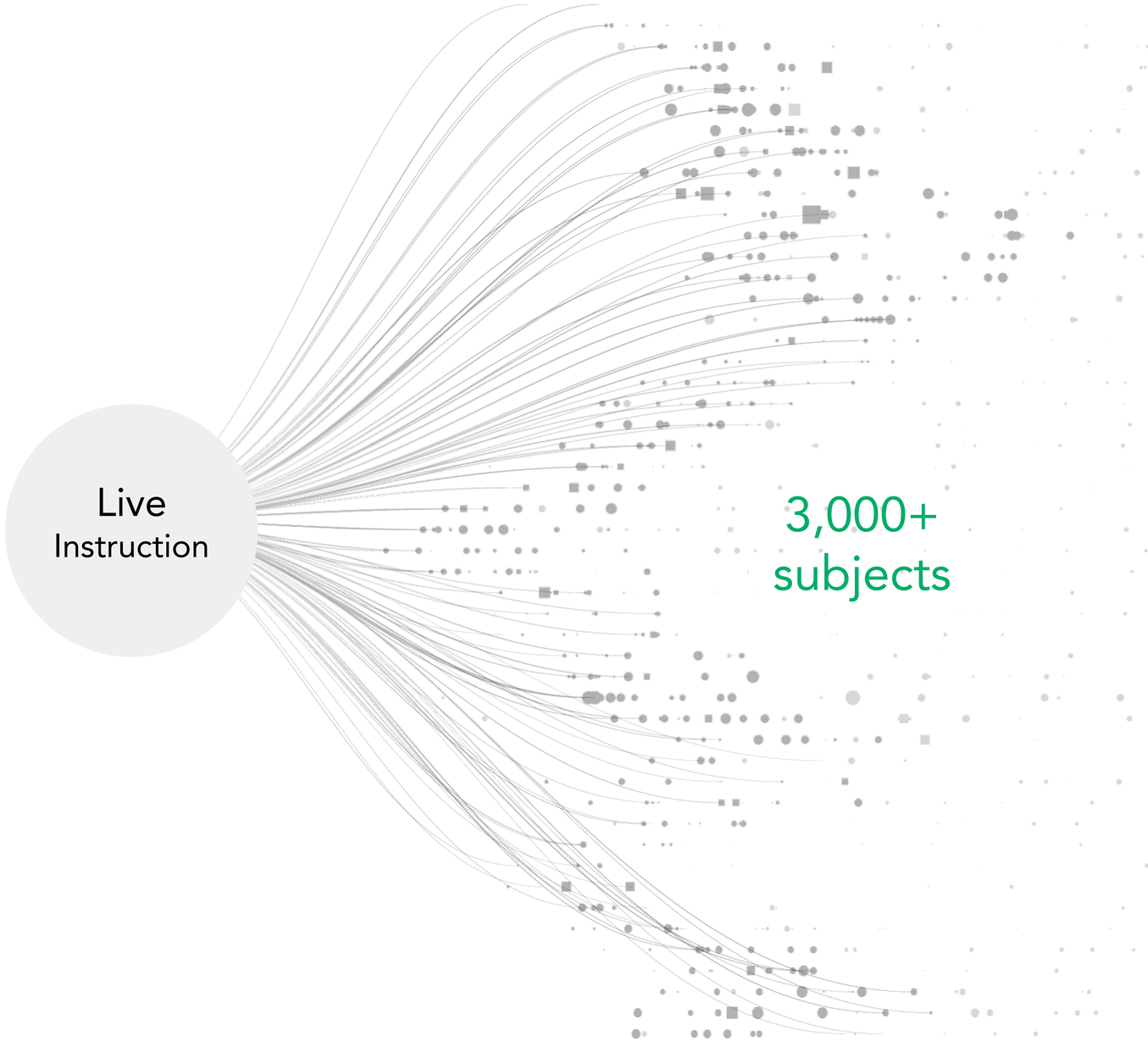
Why It Matters

Learners: Can learn large number of subjects on our platform at any age

Experts: Instruct across multiple topics of expertise

Different Compared to...

- Narrow platforms that offer limited or sole subject breadth
  - college, elementary, law
- Legacy brick and mortar
  - limited to supply in local geography



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COMPETITIVE ADVANTAGE

Personalized Experience

What We Do

Personalization across multiple touchpoints

- matching
- consultations
- unique learning pathways

Why It Matters

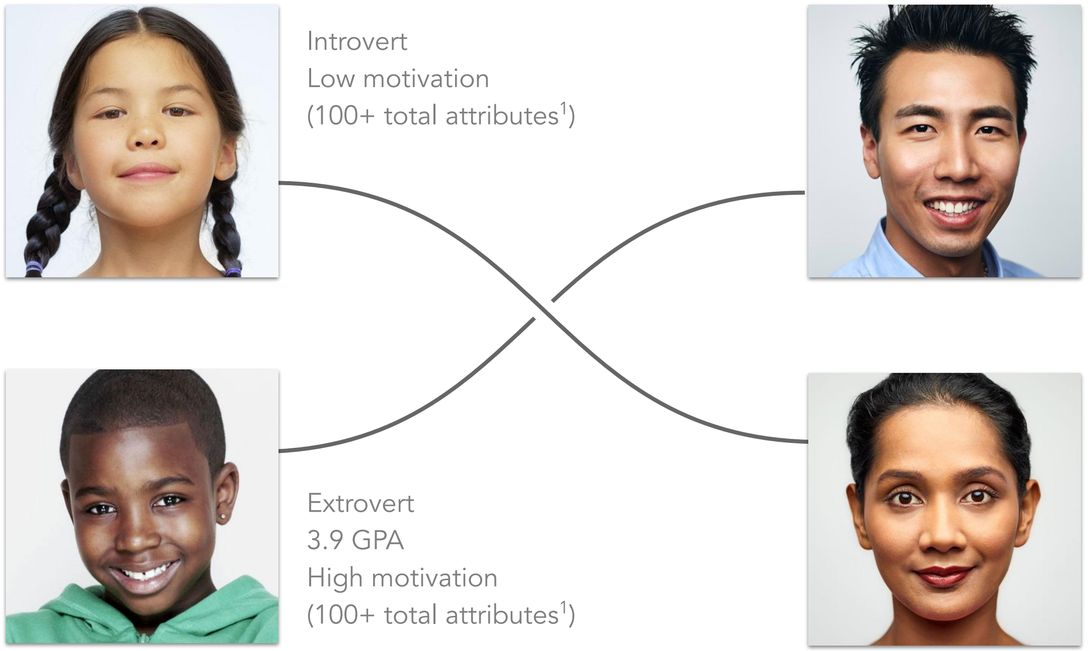
Every learner is unique, most education solutions teach to the average

Different Compared to...

- Online directories
  - limited curation or assessing of quality
- Legacy brick and mortar
  - limited to supply in local geography

AI-Powered Learner/Expert Matching

Both learners, struggling with the same subject, are intelligently matched to the instructor who best fits their specific needs



1. Defined as data points generated from student attributes, instructor attributes, past matching, learning interactions from online platform, website and marketing event interactions, and self study interaction.

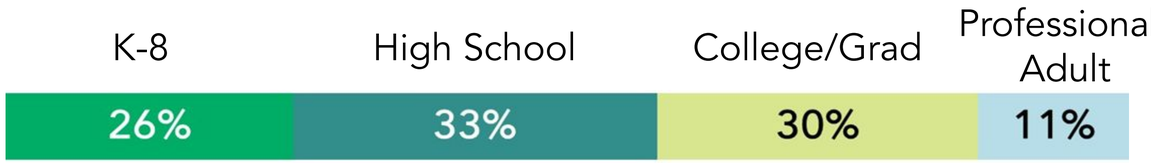
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Our Two-Sided Network: Learners and Experts

Learners

Audience Breakout

Diverse population servicing learners across lifecycle



% of Net Sales by audience[1]

Key Segments



Competitive & Investing

Proactive and planning ahead. Desire to deliver best score or be top of the class



Reactive Remediation

Often triggered to get help by a failed test, falling behind, or a bad grade



Enrichment & Passion

Internally motivated and curious to learn more about something they enjoy or want to develop

Experts

Key Motivations



Helping People Learn



Supplemental Income



Flexibility & Convenience

Typical Occupations

- → Teacher/professor
- → Working professional
- → Grad/college student
- → Retirees
- → Self-employed

45%

Hold a Graduate degree or more[2]

<5 hrs

Avg. # hours worked per week w/ Nerdy

1. Data for 2020. Net sales is a non-GAAP measure representing client purchases inclusive of payments due within 30 days minus refunds recorded during the period, a close proxy for cash receipts from customers. Amounts exclude Legacy Businesses and VT+.
2. Represents the percentage of 2020 Active Experts who have a graduate or postgraduate degree.

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Multiple Vectors to Drive Sustainable Growth

Product Expansion

Format Expansion

Subject Expansion

Targeted M&A

International Expansion

Product Innovation New product and pricing solutions

Self Study Self-guided diagnostic tests, practice problems, and study materials

Large Format Classes Free live classes with celebrity instructors drive top of funnel growth & engagement

Small Group Classes Affordable group classes for K-12, foreign languages, test prep and more

One-on–One Instruction Individualized instruction on purpose built interface. Scheduled and on-demand

Professional Tutoring and study options for range of professional testing (CPA exam, Series 7, etc) & professional + skills development

Test Prep Full range of standardized test prep including: SAT, ACT, GMAT, LSAT, GRE, MCAT as well as a range of K-12 tests

Academic Offering support for K-12, undergraduate and post-graduate learners across more than 3,000+ subjects

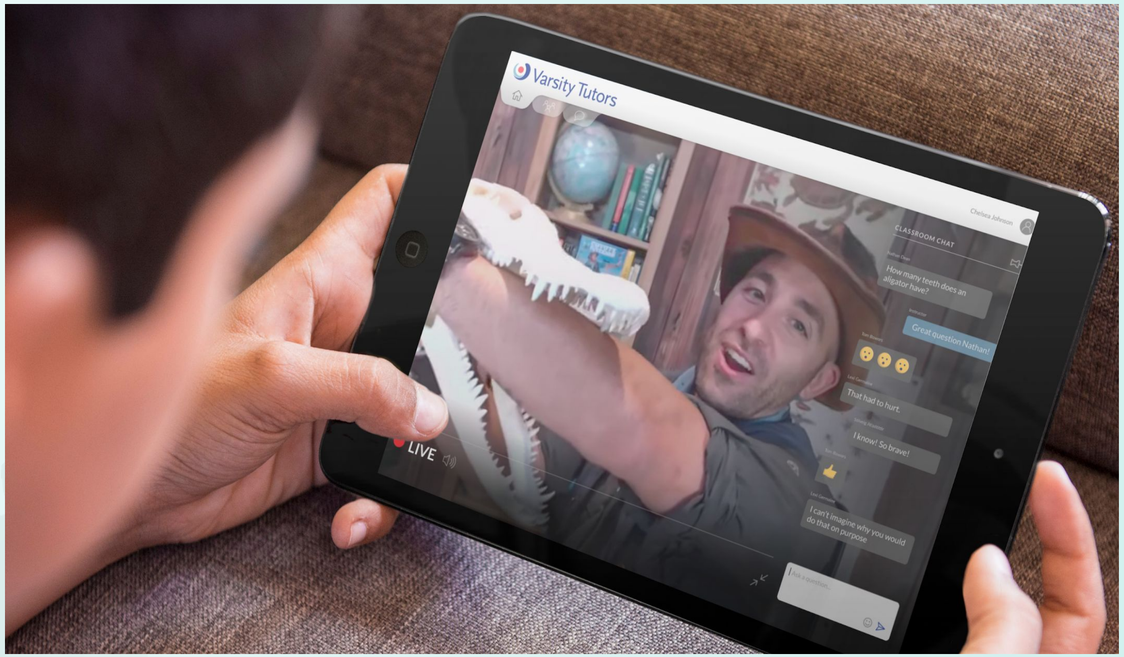
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BRAND BUILDING

Large Format StarCourses

- ✔ Large format live class can accommodate 500-50K+ students
- ✔ Offered completely free of charge
- ✔ Format attracts new users, retains existing users, & drives brand
- ✔ 500K+ registrants, 3M+ class enrollments in 2020

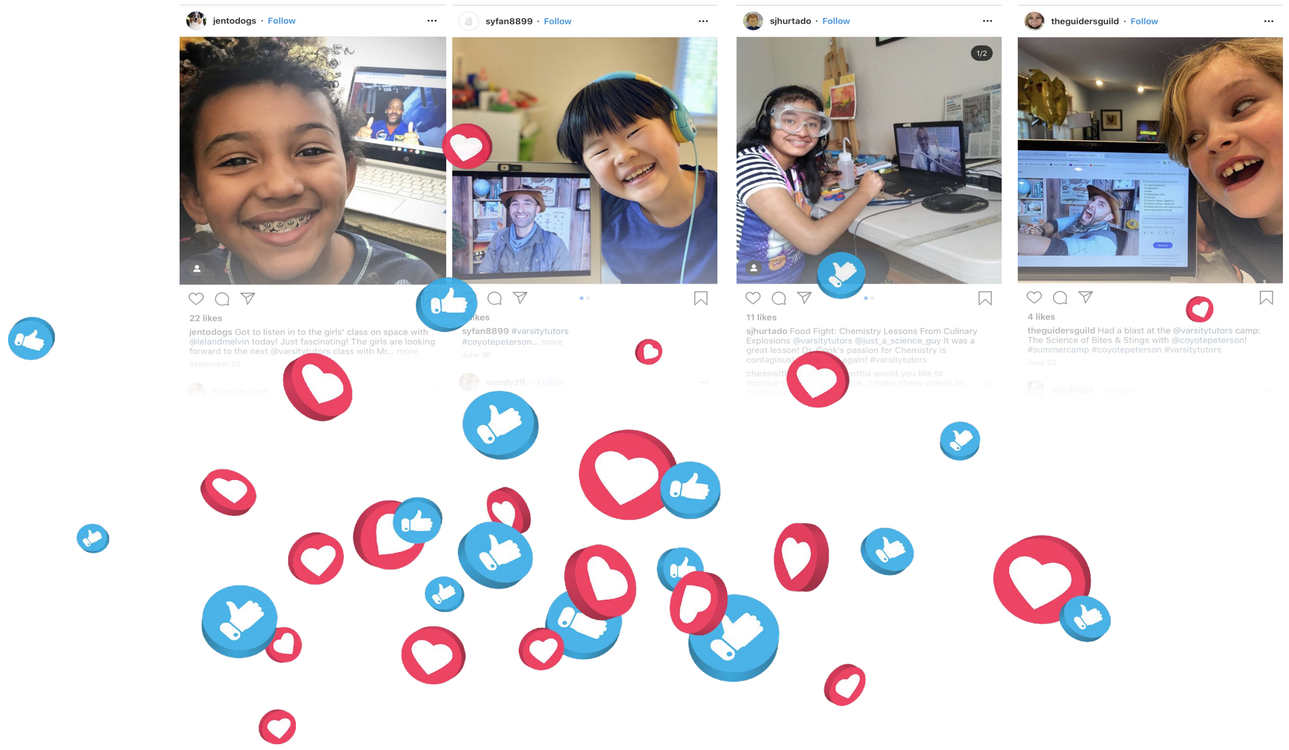


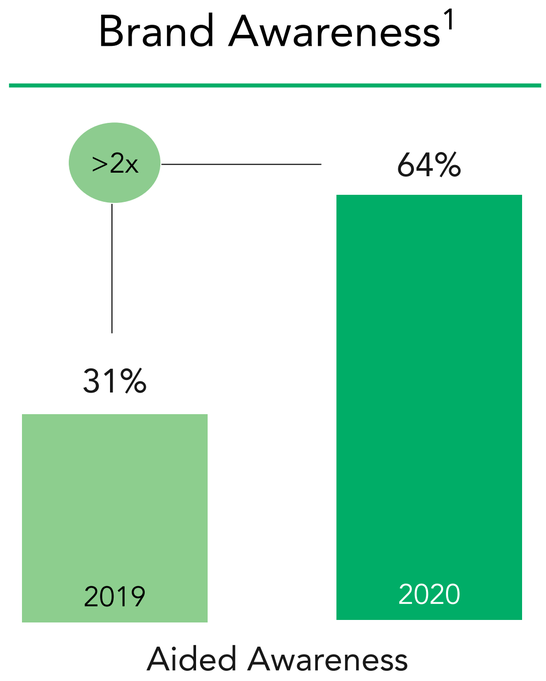
150+ StarCourses taught
75+ partnerships

Note: The individuals depicted above are referenced for their historical participation in the StarCourses Campaign offered through the Varsity Tutors platform and the depictions are not intended to imply that they have current involvement in StarCourses.

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Establishing a Lasting Brand, Founded in Trust





90%

Believe Varsity Tutors offers high quality instruction[2]

87%

Believe Varsity Tutors is a brand they can trust[2]

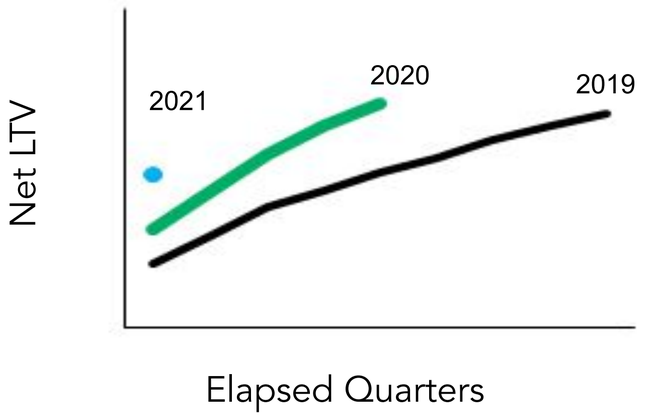
1. Survey of general population, 1,000 Parents of K-12 learners. Conducted by Halsted Strategy Group, Nov 2020.
2. Survey among current and past Nerdy users. Conducted by Halsted Strategy Group, Nov 2020.
Note: The individuals depicted above are referenced for their historical participation in the StarCourses Campaign offered through the Varsity Tutors platform and the depictions are not intended to imply that they have current involvement in StarCourses.

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Strong LTV[1] Expansion

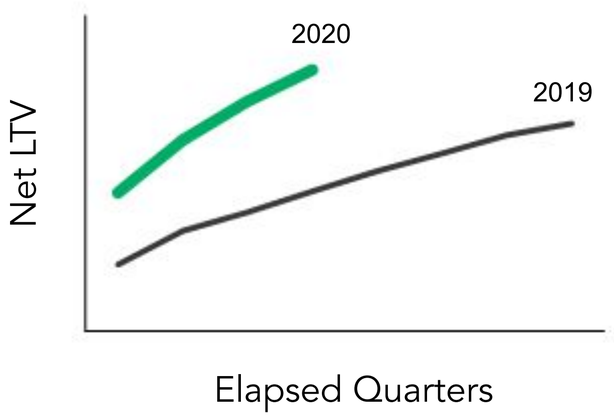
Q1

+22%[2]



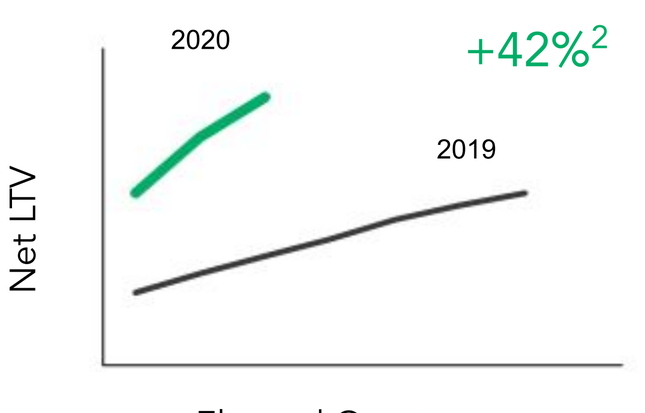
Q2

+31%[2]



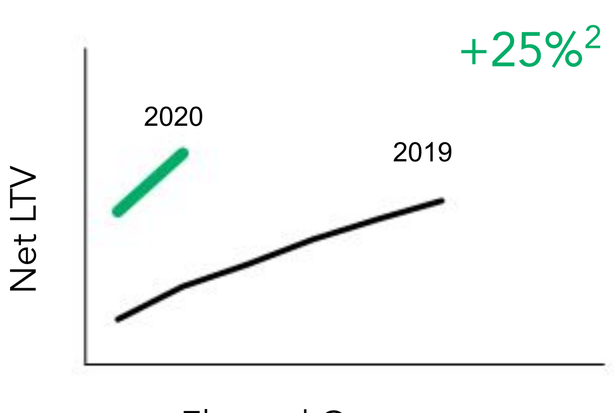
Q3

+42%[2]



Q4

+25%[2]



LTV expansion driven by multi-format engagement and higher consumption

Recent cohorts' initial LTV significantly higher than historical periods

2H 2020 Cohorts surpassed in one quarter the LTV of the same 2019 cohorts after five quarters

Q4 2020 and Q1 2021 demonstrate expansion momentum and durability

1. Total Net Sales Lifetime Value ("LTV") defined as new one-on-one customer cohort actual spend for historical months, multiplied by average net sales gross margin rate. Net sales is a non-GAAP measure representing client purchases inclusive of payments due within 30 days minus refunds recorded during the period, a close proxy for cash receipts from customers.
2. Percentage change represents most mature quarter LTV vs. the same quarter of 2019.

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COVID Impact and Recovery

2020

Created Short Term Challenges

Some schools went to optional grading, many standardized tests and professional exams were suspended, which led to declines in demand for our solutions

We Responded with Innovation

We finished our transition to delivering live instruction 100% online. Invested in new products & integrated learning formats into single destination. Improved unit level economics and free cash flow

2021 and Beyond

Headwinds Turn to Tailwinds

We continue to be encouraged by the anticipated resumption of in-person schooling in the fall for most students, increased college and graduate school enrollment, and the positive impact we anticipate these factors may have on our business

Accelerated Trend Toward Online

Consumers realized superior convenience, quality and value of online experience vs. offline

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Founder Led, Seasoned Management Team

with deep technology and direct-to-consumer experience



Chuck Cohn
Founder, Chairman & CEO



Ian Clarkson
President & Chief Operating Officer



Jason Pello
Chief Financial Officer



Heidi Robinson
Chief Product Officer



Adam Weber
Chief Marketing Officer



Dan Lee
Chief Analytics Officer



Chris Swenson
Chief Legal Officer



Mike Dierken
Chief Technology Officer



Fred Howard
Chief Institutional Business Officer



Karthik Anbalagan
Chief Audience Officer



Craig Pape
Chief Marketplace Operations Officer

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Financials & Outlook

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Our Monetization Model

Active Learners[1]

Free
>500K

Large Group Classes

Adaptive Self Study

3M+
# of Free Class Sessions[2]

7M+
Learning Interactions[3]

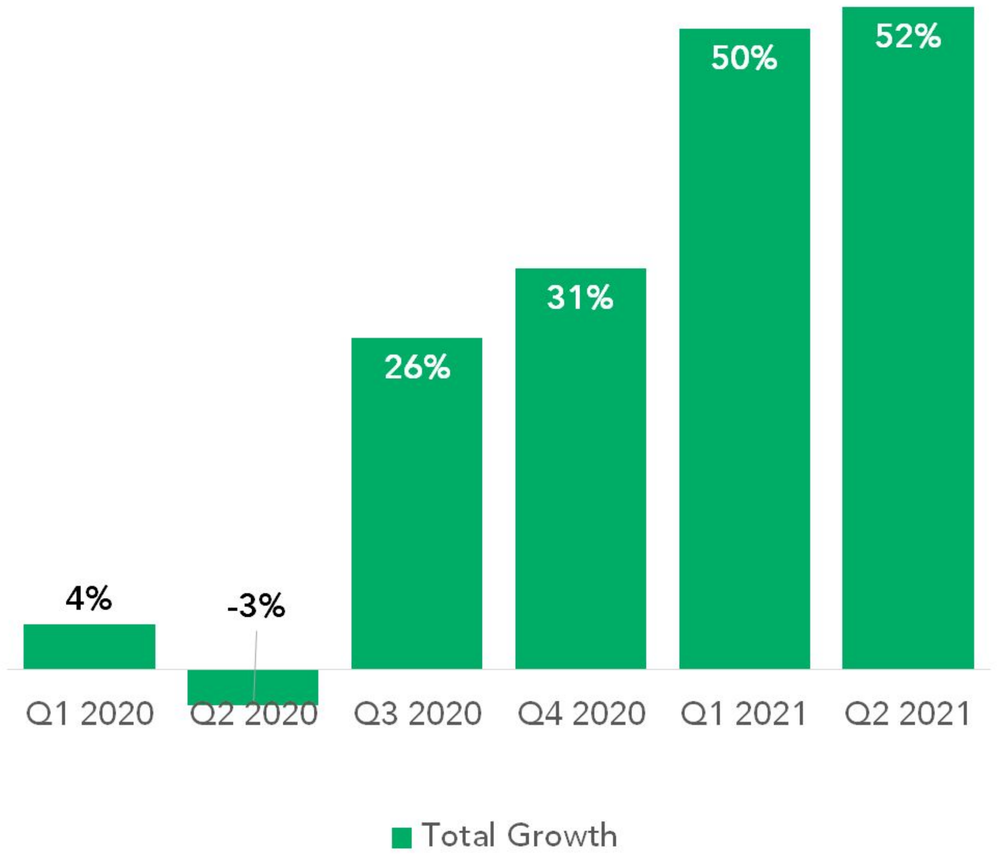
Paid
87K

	Typical Order (Hours)	Typical $/Hour
Small Group Classes	5-20	$10-$45+
One-on-One	9-50	$45-$75+

1. Paid Active Learners defined as the unique number of Learners attending a paid online one-on-one session or a paid online class in FY 2020. Amounts exclude Legacy Businesses and VT+. Free active learners defined as any account created for free classes or self study, but haven't purchased a paid product in FY 2020. Amounts exclude Legacy Businesses.
2. Defined as the number of attendees in free class sessions during 2020.
3. Defined as number of Learning Lab interactions from Q3-20 to Q1-21. A Learning Lab interaction includes site interactions and answered questions.

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Revenue Growth Rates YoY[1]



We've Built An Agile And Resilient Business

School and testing center closures related to the pandemic significantly impacted the business throughout 2020

Completed multi-year transition to 100% online in Q2 2020

New product innovation and increased adoption of online learning drove significant growth in H2 2020 and YTD in 2021

1. Total Growth represents Consolidated GAAP revenue, which includes both online and in-person revenue.

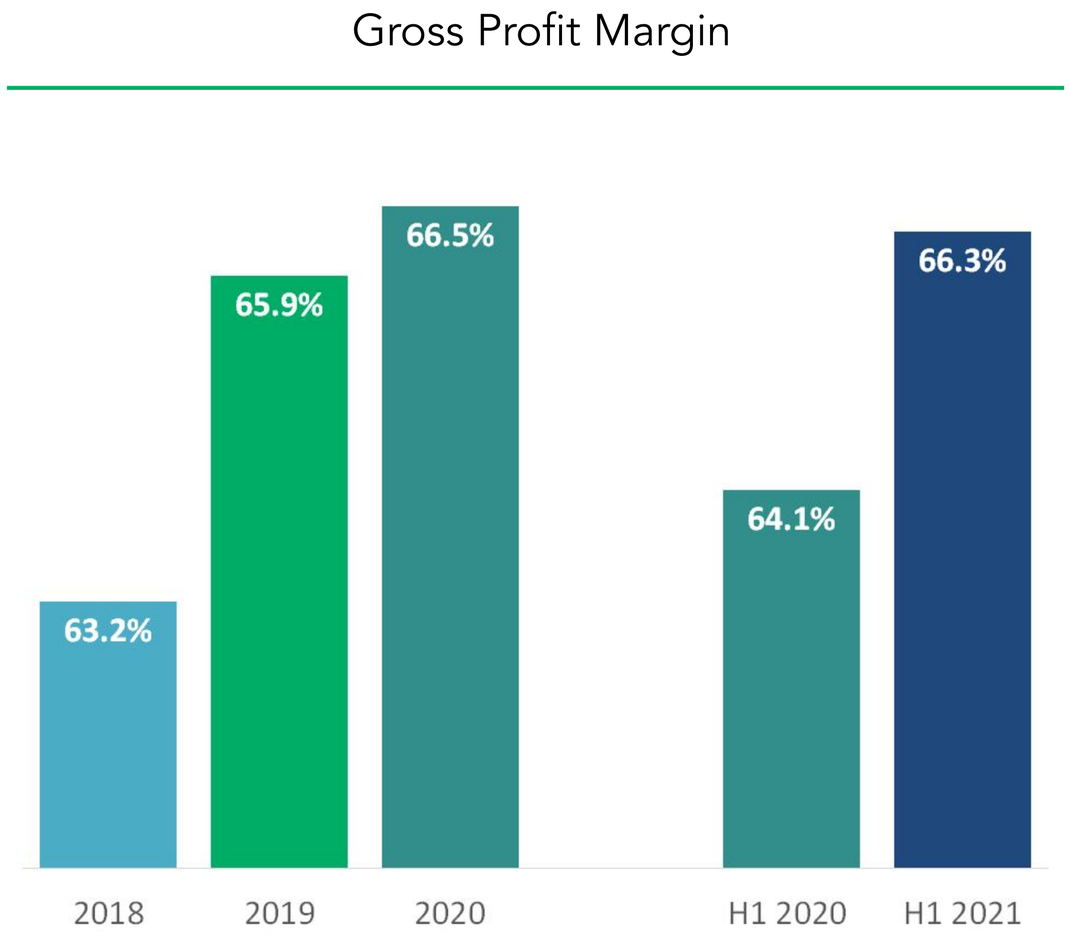
Note: Quarterly financial information is unaudited.

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Gross Margin Improvements Driven By Product Expansion

Shift toward 100% online improved margins

Growth in Classes expected to produce future gross margin expansion

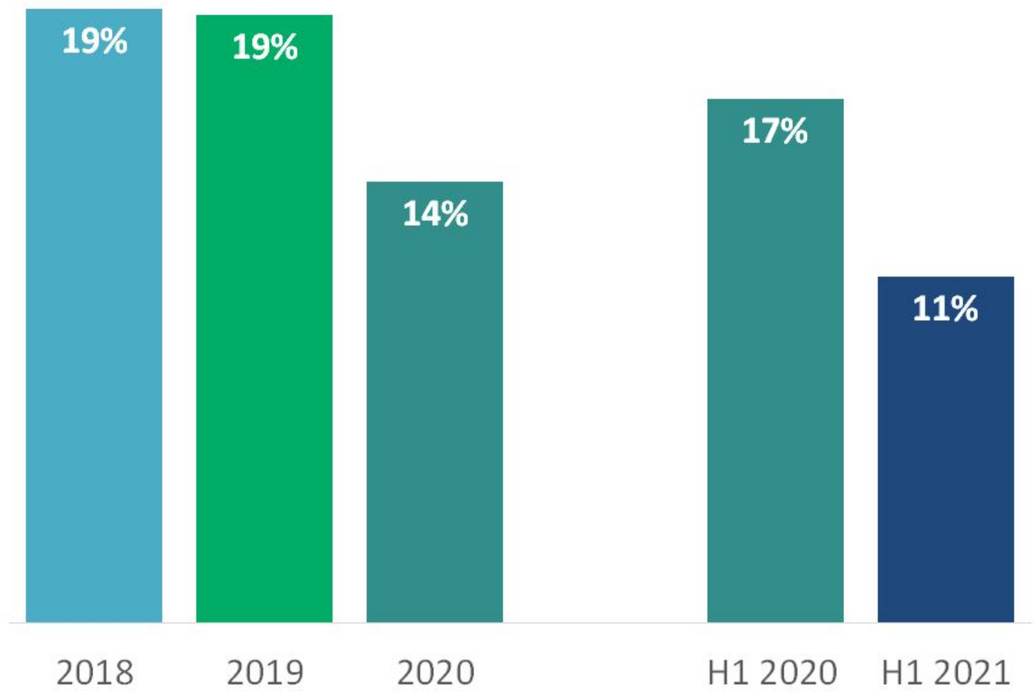


Note: Semi-annual financial information is unaudited.

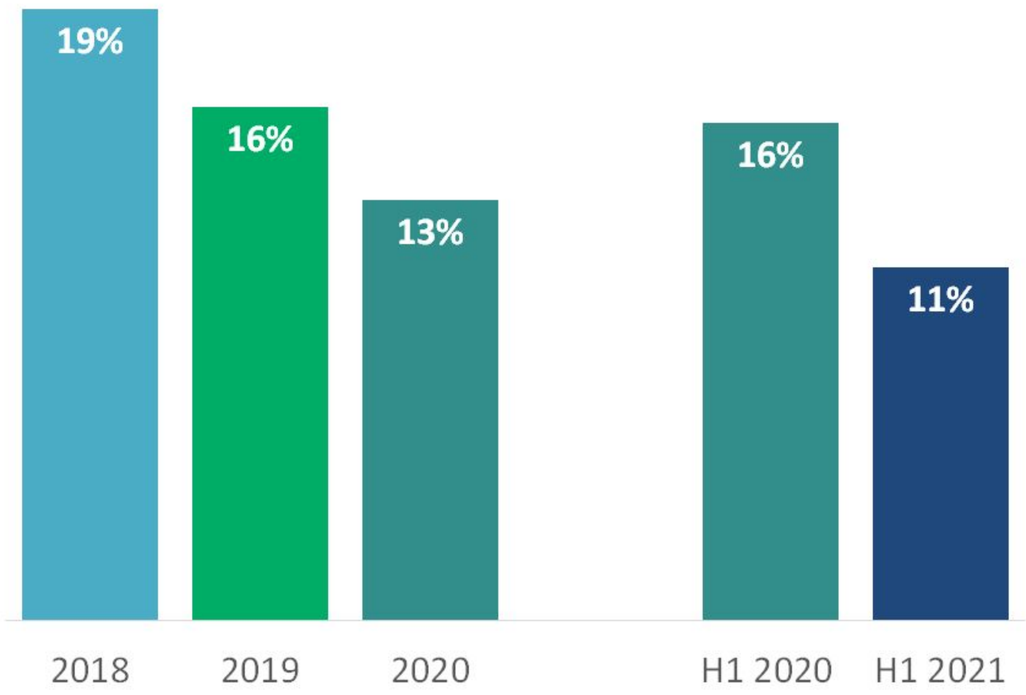
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Investments in Technology and Automation Drive Efficiency

Sales Expense % of Revenue



Operations & Fulfillment Expense % of Revenue

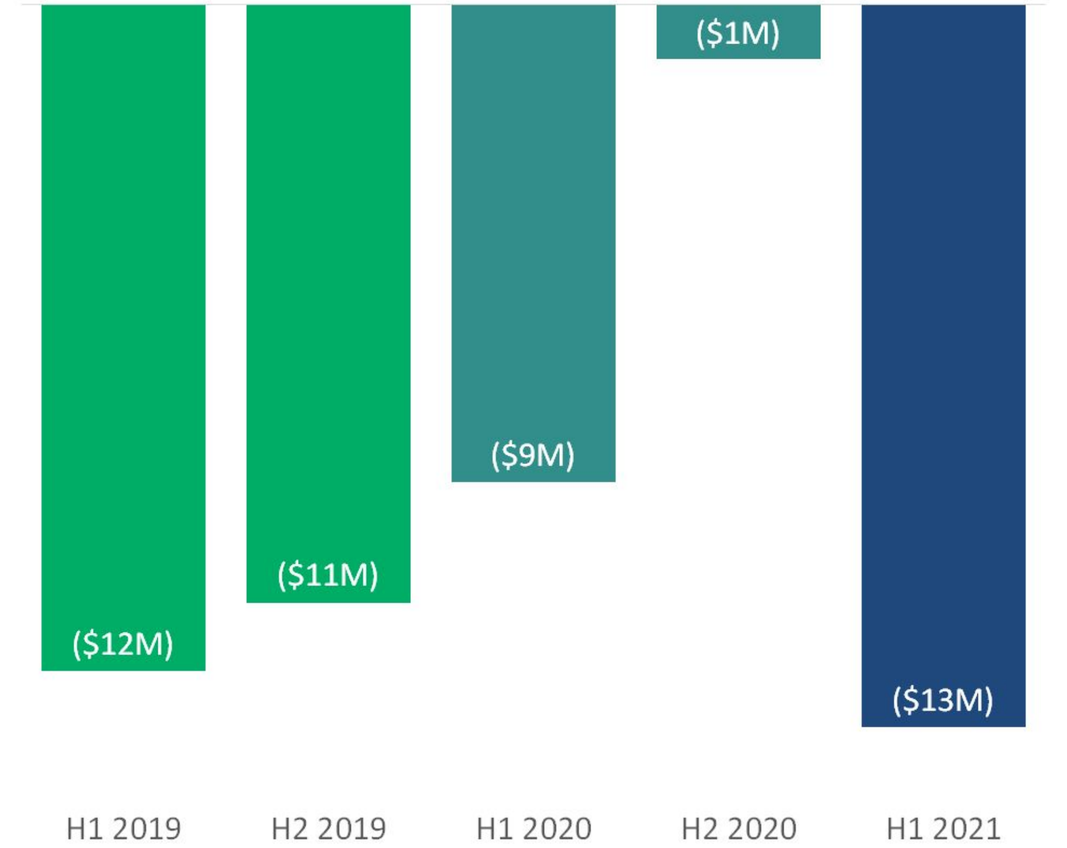


Note: Semi-annual financial information is unaudited.

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Cash Flow Improvement Through Technology & Operational Efficiency

Free Cash Flow[1]



- Multi-year effort to improve unit level economics and free cash flow
- Proven ability to become self sustaining in H2 2020
- Targeted investments in marketing, and new talent across executive management, engineering, product, data science, and design drive new product innovation and growth, yielding H1 2021 free cash flow in-line with our forecast

1. Free Cash Flow ("FCF") is a non-GAAP financial measure. FCF is defined as the sum of operating cash flow and capital expenditures.

Note: Semi-annual financial information is unaudited.

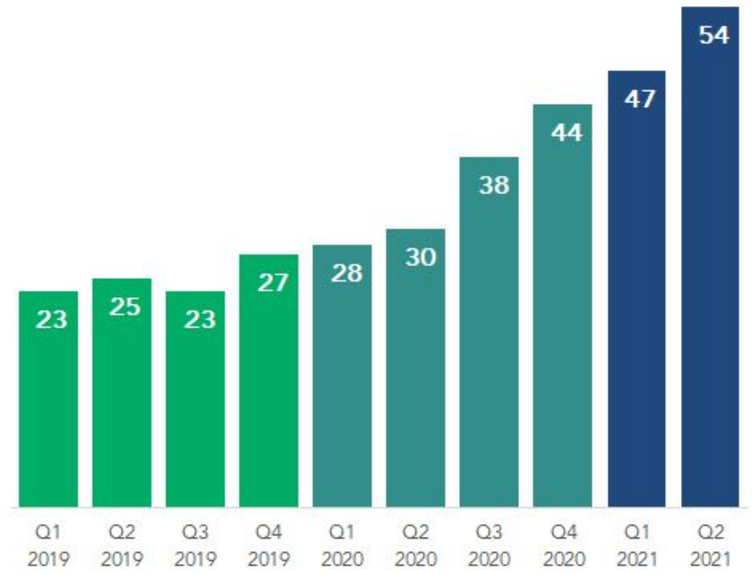
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Q2 2021 - Continued Momentum and Strong Growth

Active Learners[1]
('000s)

+80%

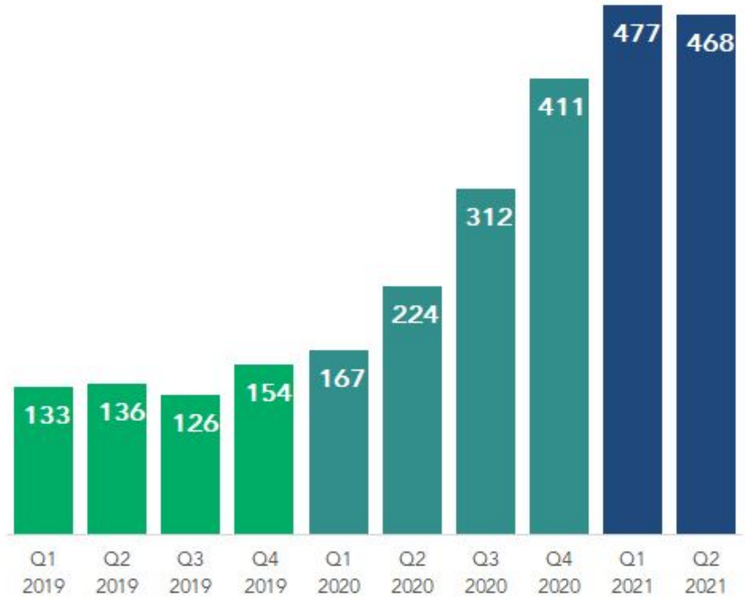
Q2-21 YoY Growth



Online Sessions[2]
('000s)

+109%

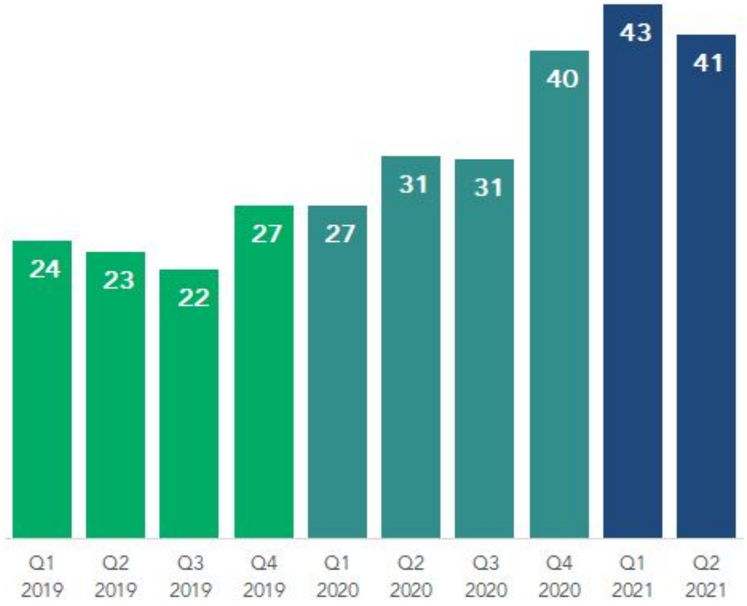
Q2-21 YoY Growth



Sessions Taught per Active Expert[3]

+31%

Q2-21 YoY Growth



1. Active Learners defined as the unique number of Learners attending a paid online one-on-one session or a paid online class in a given period. Amounts exclude Legacy Businesses and VT+.
2. Online Sessions is defined as the number of online one-on-one sessions and the number of paid online group classes attendees in a given period. Amounts exclude Legacy Businesses and VT+.
3. Sessions Taught per Active Expert is defined as the number of one-on-one sessions and the number of paid online group classes per active Expert in a given period. Active Expert defined as having instructed one or more sessions in a given period. Amounts exclude Legacy Businesses and VT+.

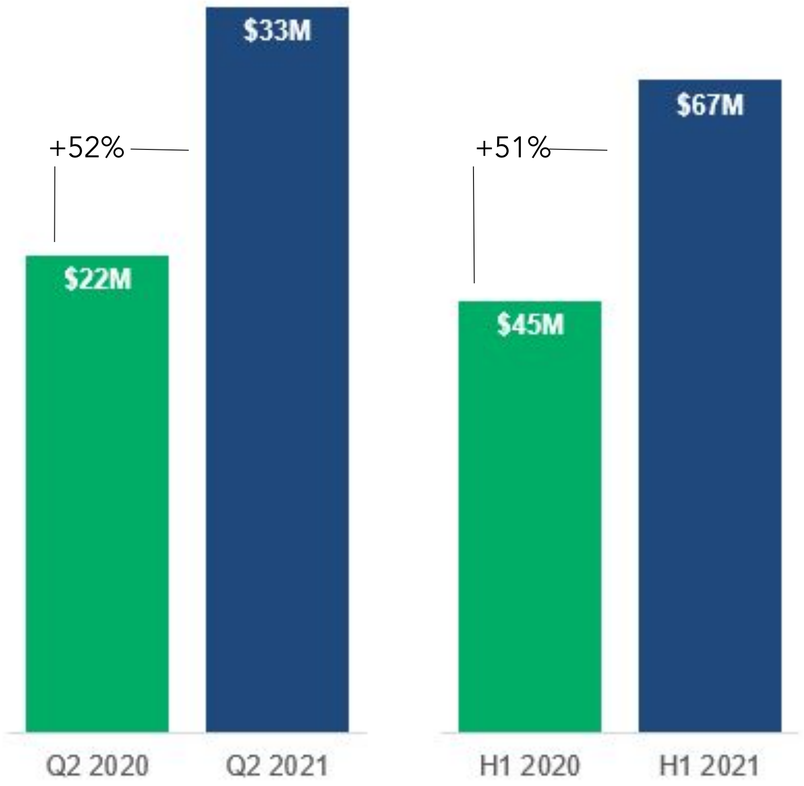
Note: Quarterly information is unaudited.

TPG PACE TECH OPPORTUNITIES nerdy

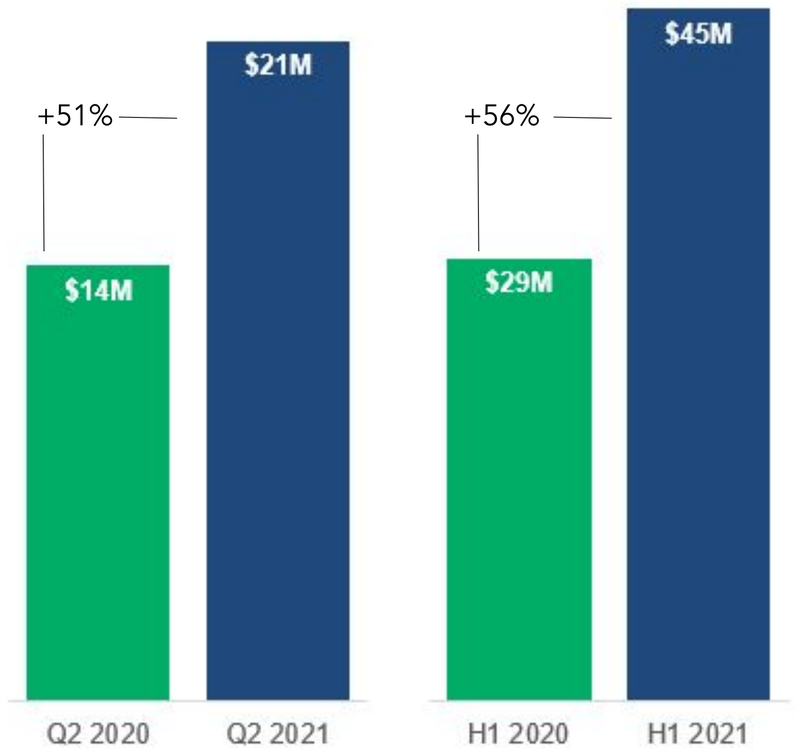
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Q2 and YTD 2021 - Delivering Results Ahead of TPG Pace Forecast

Total Revenue[1]



Gross Profit



Revenue growth driven by Learner and engagement growth, as Learners increasingly adopted our multi-format approach to delivering personalized learning

Gross Profit expansion driven by the adoption of one-on-one online learning, expansion across more subjects and more audiences, like Professional and Learning Differences, and growth in our small group class format, including summer camps

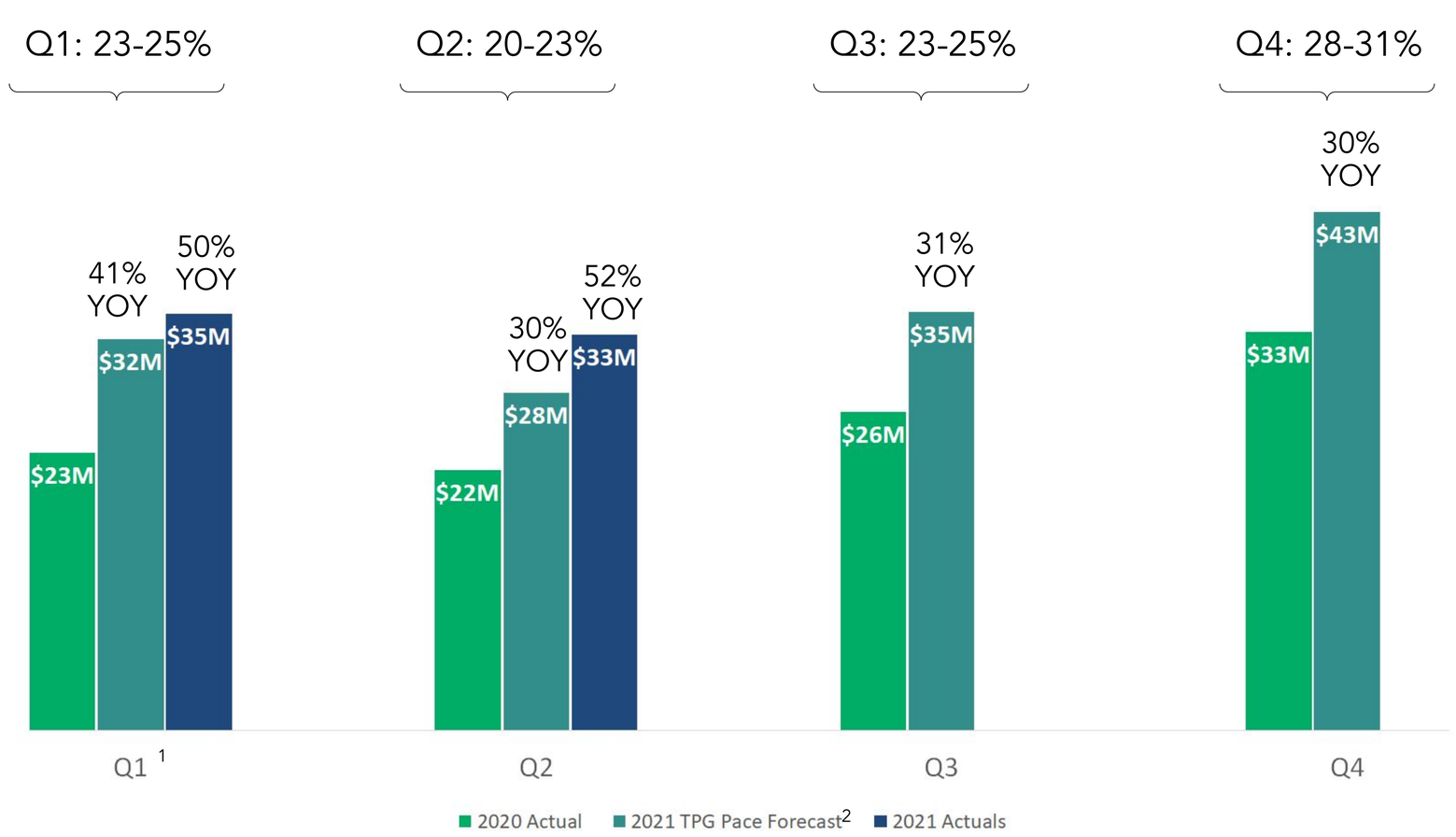
1. Total Growth represents Consolidated GAAP revenue, which includes both online and in-person revenue.

Note: Quarterly and semi-annua financial information is unaudited.

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Historical Seasonality and TPG Pace 2021 Forecast by Quarter

Historical and Forecasted Quarterly Seasonality as a % of Annual Revenue



Annual Revenue



1. Q1 2020 In Person Revenue accounted for $5.7 million or 25% of Q1 2020 Revenue. Nerdy transitioned to 100% online in Q2 2020.
2. Q3 and Q4 2021 quarterly and 2021 annual revenues represent forecasted amounts.
Note: Quarterly financial information is unaudited.

TPG PACE TECH OPPORTUNITIES nerdy

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TPG Pace 2021 Forecast by Quarter[1]

$ in Millions	Q1 2021F	Q1 2021A	Q2 2021F	Q2 2021A	Q3 2021F	Q4 2021F	H1 2021F	H1 2021A	2021F
Total Revenue (100% Online)	$ 32	$ 35	$ 28	$ 33	$ 35	$ 43	$ 60	$ 67	$ 138
% YoY Growth	*41%*	*50%*	*30%*	*52%*	*31%*	*30%*			*33%*
Gross Profit	$ 22	$ 23	$ 19	$ 21	$ 24	$ 31	$ 41	$ 45	$ 96
% Margin	*67%*	*68%*	*68%*	*65%*	*70%*	*71%*	*68%*	*66%*	*70%*
(-) Sales & Marketing Expense	(14)	(15)	(12)	(14)	(16)	(15)	(26)	(29)	(57)
(-) Operations & Fulfillment	(3)	(3)	(4)	(4)	(4)	(4)	(7)	(8)	(14)
(-) Tech & Product	(3)	(3)	(4)	(4)	(4)	(5)	(7)	(8)	(17)
(-) G&A	(4)	(7)	(6)	(6)	(7)	(7)	(11)	(13)	(25)
Total Opex	(11)	(13)	(14)	(15)	(15)	(16)	(25)	(28)	(56)
Other Income (Expense)	(1)	(1)	7	7	0	0	6	6	6
Net Income	$ (4)	$ (6)	$ 0	$ (0)	$ (7)	$ 0	$ (4)	$ (6)	$ (11)
% Margin	*(14%)*	*(17%)*	*1%*	*(1%)*	*(19%)*	*0%*	*(7%)*	*(9%)*	*(8%)*
Adjusted EBITDA	$ (1)	$ (0)	$ (5)	$ (5)	$ (4)	$ 3	(6)	(5)	$ (8)
% Margin	*(4%)*	*(1%)*	*(16%)*	*(15%)*	*(12%)*	*6%*	*(9%)*	*(8%)*	*(5%)*

Revenue growth driven by multi-format strategy

One-on-one strength provides durable base growth. Classes and Professional offerings continue to grow rapidly as we scale

Targeted marketing investments extend reach to drive Active Learner growth

Significant investments in additional talent ensure Nerdy remains at the forefront of innovation; contributing to growth in 2022 and beyond

G&A increases driven mainly by public company costs

1. Forecast ("F") excludes or otherwise does not account for the following: (i) non-recurring expenses, including de-SPAC transaction expenses; (ii) the application of new accounting treatments associated with the de-SPAC transaction; (iii) the expense related to Unit Appreciation Rights ("UARs") held by Nerdy employees which will be converted into Stock Appreciation Rights ("SARs") in connection with the de-SPAC transaction; and (iv) the impact of any future non-cash compensation changes. Actual ("A") quarterly and semi-annual financial information is unaudited.
2. Other Income (Expense) in Q2 2021 reflects a one-time non-recurring gain of $8.4 million related to the forgiveness of a Promissory loan.
3. Adjusted EBITDA (loss) is defined as net income or net loss, as applicable, before net interest income (expense), taxes, depreciation and amortization expense, non-cash compensation expense and other non-recurring items. Adjusted EBITDA is a non-GAAP financial measure.

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TPG Pace Forecast[1]

$ in Millions	2018	2019	2020	2021F	2022F	2023F
Active Learners[2]	47	63	87	130	199	284
% Active Learners YoY		*34%*	*37%*	*50%*	*53%*	*43%*
Online Revenue	$ 42	$ 64	$ 97	$ 138	$ 198	$ 267
% YoY Growth		*54%*	*51%*	*42%*	*43%*	*35%*
Total Revenue	$ 72	$ 90	$ 104	$ 138	$ 198	$ 267
% YoY Growth		*26%*	*15%*	*33%*	*43%*	*35%*
Gross Profit	$ 46	$ 60	$ 69	96	141	193
% Margin	*63%*	*66%*	*66%*	*70%*	*71%*	*72%*
(-) Sales & Marketing Expense	(30)	(38)	(44)	(57)	(84)	(109)
(-) Operations & Fulfillment	(14)	(15)	(14)	(14)	(20)	(26)
(-) Tech & Product	(9)	(10)	(12)	(17)	(27)	(31)
(-) G&A	(18)	(18)	(18)	(25)	(24)	(25)
Total Opex	(41)	(42)	(43)	(56)	(71)	(82)
Net Income	$ (25)	$ (22)	$ (25)	$ (11)	$ (14)	$ 1
% Margin	*(35%)*	*(25%)*	*(24%)*	*(8%)*	*(7%)*	*1%*
Adjusted EBITDA[3]	$ (21)	$ (14)	$ (9)	$ (8)	$ (3)	$ 14
% Margin	*(29%)*	*(15%)*	*(9%)*	*(5%)*	*(2%)*	*5%*

Rapid digital acceleration is expected to provide tailwinds to support durable growth

Gross margins expansion driven by mix shift to 100% online and Classes

Efficient performance marketing coupled with "big swing" marketing investments expected to drive awareness and new customer acquisition

Strong unit level economics and focus on operational efficiency yield operating leverage improvements

+30% revenue growth with continued gross margin expansion. Projected to be Adjusted EBITDA positive in 2023.

1. Forecast ("F") excludes or otherwise does not account for the following: (i) non-recurring expenses, including de-SPAC transaction expenses; (ii) the application of new accounting treatments associated with the de-SPAC transaction; (iii) the expense related to Unit Appreciation Rights ("UARs") held by Nerdy employees which will be converted into Stock Appreciation Rights ("SARs") in connection with the de-SPAC transaction; and (iv) the impact of any future non-cash compensation changes.
2. Active Learners defined as the unique number of Learners attending a paid online one-on-one session or a paid online class in a given period. Amounts exclude Legacy Businesses and VT+. Learners in thousands.
3. Adjusted EBITDA (loss) is defined as net income or net loss, as applicable, before net interest income (expense), taxes, depreciation and amortization expense, non-cash compensation expense and other non-recurring items. Adjusted EBITDA is a non-GAAP financial measure.

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Attractive Long-Term Growth and Strong Operating Leverage

	2021F[1]	2022F[1]	2023F[1]	Long-Term Targets[1]
Revenue Growth	33%	43%	35%	25-30%
Gross Margin	70%	71%	72%	75-80%
Tech, Product & G&A % Revenue	30%	26%	21%	15-20%
Adjusted EBITDA Margin[2]	(5%)	(2%)	5%	25-30%

Long-term opportunity for growth expected as shift to online learning gains share over the coming decade and beyond

1. Forecast ("F") excludes or otherwise does not account for the following: (i) non-recurring expenses, including de-SPAC transaction expenses; (ii) the application of new accounting treatments associated with the de-SPAC transaction; (iii) the expense related to Unit Appreciation Rights ("UARs") held by Nerdy employees which will be converted into Stock Appreciation Rights ("SARs") in connection with the de-SPAC transaction; and (iv) the impact of any future non-cash compensation changes.
2. Adjusted EBITDA (loss) is defined as net income or net loss, as applicable, before net interest income (expense), taxes, depreciation and amortization expense, non-cash compensation expense and other non-recurring items. Adjusted EBITDA is a non-GAAP financial measure.

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Transaction Overview

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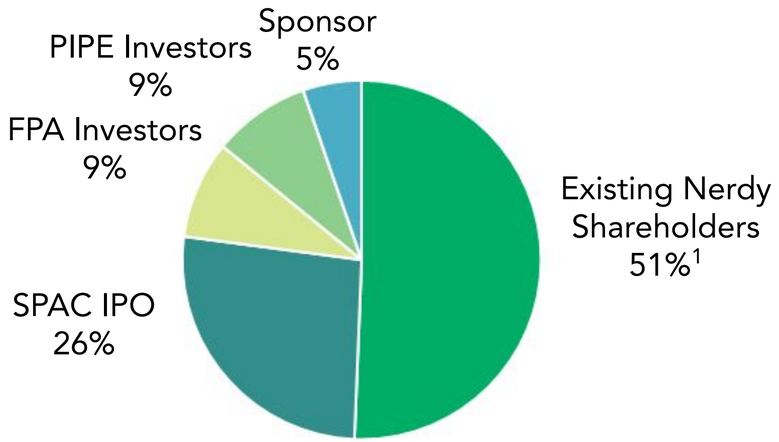
Sources & Uses / Pro-Forma Valuation

Sources & Uses (Illustrative)

Sources	$MM	%
Existing Nerdy Shareholders Equity Rollover[1]	$862	51%
SPAC Cash in Trust[2]	450	26%
Forward Purchase Agreements	150	9%
PIPE	150	9%
Sponsor Shares[3]	90	5%
Total Sources	**$1,702**	**100%**

Uses	$MM	%
Existing Nerdy Shareholders Equity Rollover[1]	$862	51%
Cash to Nerdy Shareholders[2]	388	23%
Repayment of Outstanding Debt	52	3%
Cash to Balance Sheet[2]	255	15%
Sponsor Shares[3]	90	5%
Fees and Expenses	55	3%
Total Uses	**$1,702**	**100%**

Post-Transaction Ownership (Illustrative)



Post-Transaction Valuation (Illustrative)

	$MM
Illustrative Share Price	$10.00
Shares Outstanding[1,4,5]	170.2
Equity Value	**$1,702**
Net Cash Balance[2]	(297)
Total Enterprise Value	**$1,405**
TEV / 2022F Revenue	7.1x

1. Includes unvested employee options and equity awards.
2. Assumes no redemptions by SPAC shareholders. Cash to Nerdy shareholders subject to adjustments.
3. Includes sponsor shares forfeited to FPA investors.
4. Other outstanding instruments from PACE.U IPO and FPA: 12 million warrants for 12 million shares at $11.50 per share; 7.3 million private warrants for 7.3 million shares at $11.50 per share, 4 million Seller Earnout shares, and 4 million Sponsor Earnout shares.
5. Existing Nerdy Shareholder and Sponsor to each receive up to 4 million earn-out shares that vest based off stock price hurdles between $12 and $16 per share over 5 years. Please see slide 41 “Illustrative Fully-Diluted Share Count” for more details.

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Defining Nerdy's Public Comparables

Direct-to-Consumer Learning Platform

- Leading learning internet platform in North America
- Technology solutions purpose -built for learning
- Direct-to-consumer internet go-to-market
- Similar gross margins

Chegg®

Asynchronous Learning Platform for Adult Learners

- Leading asynchronous, recorded lessons learning platform with global audience
- 4,600+ courses focused on continuing education
- Large and expanding TAMs with low online-penetration

coursera

Consumer Facing Digital Gig Economy Platform

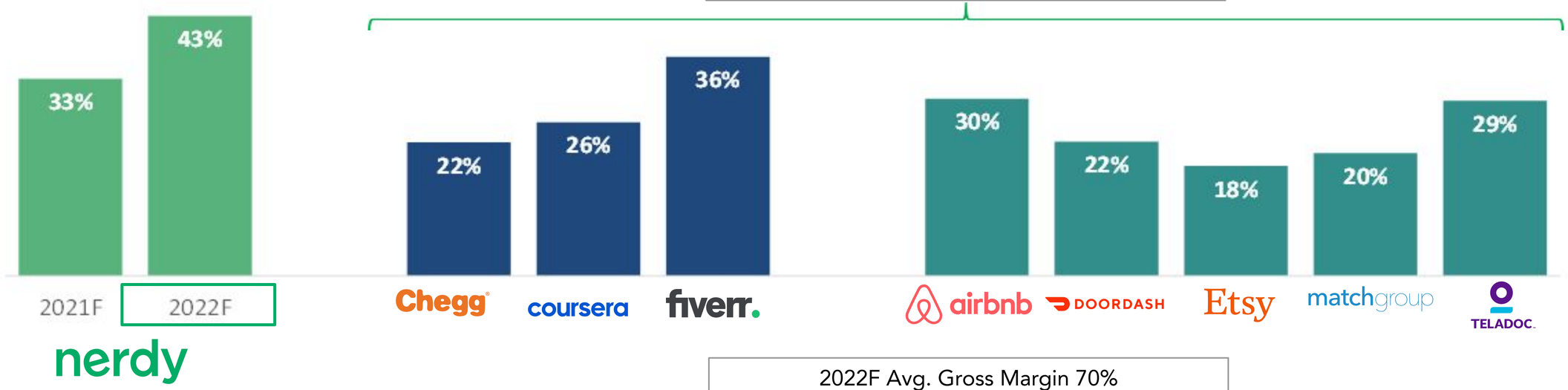
- Leading freelance digital services gig economy platform
- ~300 categories across diverse industry verticals
- Large market opportunity with low online penetration

fiverr.

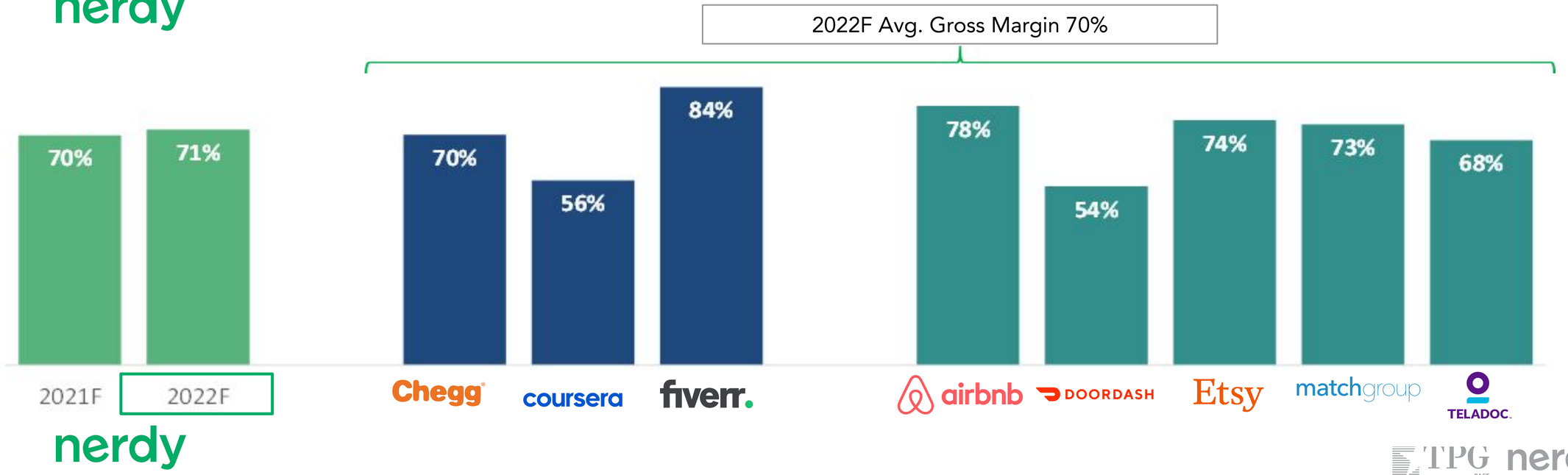
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Operational Benchmarking

Revenue Growth



Gross Margin

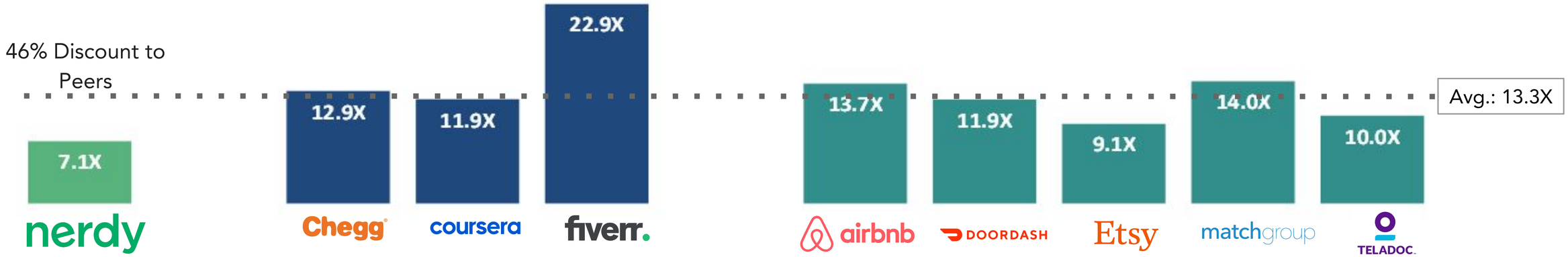


Sources for third-party information: SEC filings, S&P Capital IQ as of 7/30/2021.

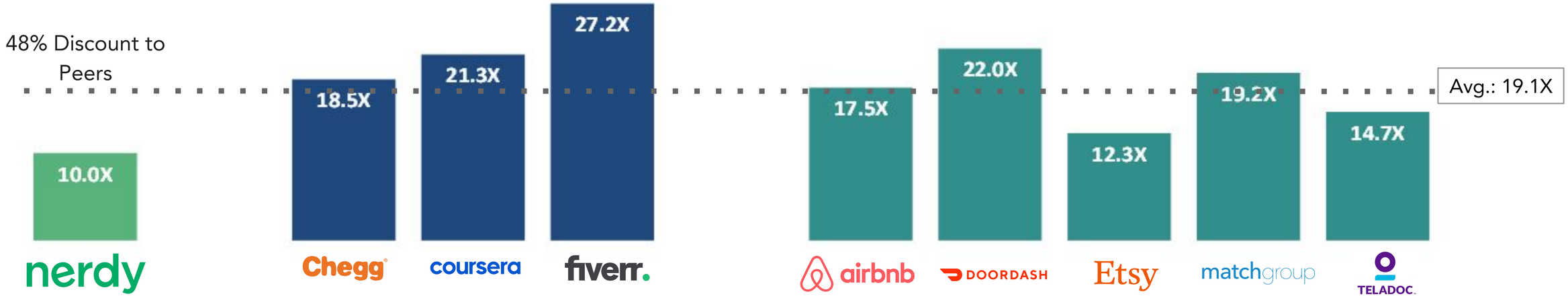
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Valuation Benchmarking

2022F EV / Revenue



2022F EV / Gross Profit



Sources for third-party information: SEC filings, S&P Capital IQ as of 7/30/2021. Nerdy valuation multiples assume $10 per share.

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Anticipated Transaction Timeline

	Event
January 2021	▪ Transaction Agreement Executed ▪ Transaction Announced
March 2021	▪ Preliminary Proxy Materials Filed with the SEC
April 2021	▪ Analyst Day
August 2021	▪ Q2 Earnings Release
Q3 2021	▪ Mail Final Proxy Materials to TPG Pace Shareholders ▪ Set Record Date for TPG Pace Shareholders Vote ▪ Hold TPG Pace Shareholder Vote and Close Transaction

Note: Subject to SEC review and approval timetable.

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Financial Appendix

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2019 - 2020 Quarterly (unaudited) & Annual Financials

$ in Millions	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	2019	2020
Active Learners[1]	23	25	23	27	28	30	38	44	47	54	63	87
% Active Learners YoY					*21%*	*21%*	*62%*	*59%*	*67%*	*80%*	*34%*	*37%*
Online Revenue	$ 15	$ 16	$ 16	$ 18	$ 17	$ 21	$ 26	$ 33	$ 35	$ 33	$ 64	$ 97
% YoY Growth					*15%*	*30%*	*67%*	*87%*	*100%*	*58%*	*54%*	*51%*
Total Revenue	$ 22	$ 22	$ 21	$ 25	$ 23	$ 22	$ 26	$ 33	$ 35	$ 33	$ 90	$ 104
% YoY Growth					*4%*	*-3%*	*26%*	*31%*	*50%*	*52%*	*26%*	*15%*
Gross Profit	$ 15	$ 15	$ 14	$ 16	$ 15	$ 14	$ 18	$ 23	$ 23	$ 21	$ 60	$ 69
% Margin	*66%*	*67%*	*66%*	*65%*	*63%*	*65%*	*68%*	*68%*	*68%*	*65%*	*66%*	*66%*
(-) Sales & Marketing Expense	(9)	(9)	(11)	(10)	(10)	(7)	(13)	(13)	(15)	(14)	(38)	(44)
(-) Operations & Fulfillment	(4)	(4)	(4)	(4)	(4)	(3)	(3)	(4)	(3)	(4)	(15)	(14)
(-) Tech & Product	(2)	(3)	(2)	(3)	(3)	(2)	(3)	(3)	(3)	(4)	(10)	(12)
(-) G&A	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(6)	(7)	(6)	(18)	(18)
Total Opex	(11)	(10)	(10)	(11)	(11)	(10)	(10)	(13)	(13)	(15)	(42)	(43)
Net Income	$ (5)	$ (4)	$ (8)	$ (6)	$ (8)	$ (4)	$ (8)	$ (5)	$ (6)	$ (0)	$ (22)	$ (25)
% Margin	*(21%)*	*(20%)*	*(37%)*	*(22%)*	*(35%)*	*(19%)*	*(29%)*	*(15%)*	*(17%)*	*(1%)*	*(25%)*	*(24%)*
Adjusted EBITDA[2]	$ (3)	$ (3)	$ (6)	$ (3)	$ (5)	$ (1)	$ (3)	$ 0	$ (0)	$ (5)	$ (14)	$ (9)
% Margin	*(13%)*	*(12%)*	*(26%)*	*(10%)*	*(22%)*	*(4%)*	*(12%)*	*1%*	*(1%)*	*(15%)*	*(15%)*	*(9%)*

1. Active Learners defined as the unique number of Learners attending a paid online one-on-one session or a paid online class in a given period. Amounts exclude Legacy Businesses and VT+. Learners in thousands.
2. Adjusted EBITDA (loss) is defined as net income or net loss, as applicable, before net interest income (expense), taxes, depreciation and amortization expense, non-cash compensation expense and other non-recurring items. Adjusted EBITDA is a non-GAAP financial measure.
Note: Quarterly financial information is unaudited.

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Non-GAAP Reconciliations (unaudited)

$ in Millions	2018	2019	2020	2021F	2022F	2023F
Net Income	$ (25)	$ (22)	$ (25)	$ (11)	$ (14)	$ 1
Interest Income / Expense, Net	(0)	2	5	2	(0)	(0)
Taxes	0	0	0	0	-	-
Depreciation & Amortization	3	5	6	7	9	11
Non-Cash Compensation Expense	2	2	2	3	2	2
Non-Recurring Items [1]	-	-	3	(8)	-	-
Adjusted EBITDA	$ (21)	$ (14)	$ (9)	$ (8)	$ (3)	$ 14

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Net Income	$ (5)	$ (4)	$ (8)	$ (6)	$ (8)	$ (4)	$ (8)	$ (5)	$ (6)	$ (0)
Interest Income / Expense, Net	0	0	1	1	1	1	1	1	1	1
Taxes	0	0	(0)	0	0	0	(0)	0	0	0
Depreciation & Amortization	1	1	1	1	1	2	2	2	2	2
Non-Cash Compensation Expense	1	0	0	1	0	0	0	0	1	1
Non-Recurring Items	-	-	-	-	-	-	1	2	2	(8)
Adjusted EBITDA	$ (3)	$ (3)	$ (6)	$ (3)	$ (5)	$ (1)	$ (3)	$ 0	$ (0)	$ (5)

1

1. Non recurring items in 2020 are related to a recorded loss for an office sublease and transaction related costs. 2021F includes one-time non-recurring items related to the forgiveness of a Promissory loan.

Note: Quarterly financial information is unaudited.

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Illustrative Fully Diluted Share Count

	Illustrative Share Price								
Share count in millions	**$10.00**	**$11.00**	**$12.00**	**$13.00**	**$14.00**	**$15.00**	**$16.00**	**$17.00**	**$18.00**
PACE Public IPO Shares	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0
PACE Public / FPA Warrants[1,2,3]	–	–	0.5	1.4	2.1	2.8	3.4	3.9	4.3
FPA Shares	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
PIPE Shares	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
PACE Sponsor Shares	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Nerdy Existing Shareholders Shares[4]	86.2	86.2	86.2	86.2	86.2	86.2	86.2	86.2	86.2
Private Warrants[1,5]	–	–	0.3	0.8	1.3	1.7	2.1	2.4	2.6
Seller / Sponsor Earnouts[6,7,8]	–	–	2.7	2.7	5.3	5.3	8.0	8.0	8.0
Total	170.2	170.2	173.7	175.1	179.0	180.0	183.6	184.4	185.2

1. Assumes treasury share method for public, FPA, and private warrants.
2. 9.0 million public warrants issued as part of PACE IPO with strike price of $11.50 and redemption price of $18.00.
3. 3.0 million FPA warrants to be issued with strike price of $11.50 and redemption price of $18.00.
4. Includes unvested employee options and equity awards.
5. 7.3 million private warrants issued as part of PACE IPO with a strike price of $11.50.
6. Earn-out Shares Tranche 1 - If closing sales price equals or exceeds $12.00 for 20 trading day out of 30 consecutive Trading Days prior to 5 years following closing, 1.33 million Seller Earnout shares and 1.33 million Sponsor Earnout shares will vest immediately.
7. Earn-out Shares Tranche 2 - If closing sales price equals or exceeds $14.00 for 20 trading day out of 30 consecutive Trading Days prior to 5 years following closing, 1.33 million Seller Earnout shares and 1.33 million Sponsor Earnout shares will vest immediately.
8. Earn-out Shares Tranche 3 - If closing sales price equals or exceeds $16.00 for 20 trading day out of 30 consecutive Trading Days prior to 5 years following closing, 1.33 million Seller Earnout shares and 1.33 million Sponsor Earnout shares will vest immediately..

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Thank you

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