



2022 FIRST QUARTER EARNINGS CALL

May 12, 2022

Speakers

Mr. Kevin Ma, Chairman and CEO

Mr. Jun Zhang, President

Mr. Ruobai Sima, CFO

SAFE HARBOR

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- Although we believe our expectations expressed in such forward-looking statements are reasonable, we cannot assure you that they will be realized. Investors are cautioned that such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the anticipated results, and therefore we refer you to a more detailed discussion of the risks and uncertainties in the Company’s filings with the Securities & Exchange Commission.

Note: All U.S. dollar amounts in this presentation, relating to the financial results for the three months ended March 31, 2022, are converted from RMB using an exchange rate of 6.3393 RMB:1 USD. All historical conversions are accurate as of the time reported, unless otherwise noted. The Company reports its financial results under U.S. GAAP in RMB, and all percentages calculated in the presentation are based on RMB unless otherwise noted.

OVERVIEW

ATA Creativity Global (ACG) is an international educational services company focused on providing quality learning experiences that cultivate and enhance students' creativity. ACG offers a wide range of education services consisting primarily of portfolio training, research-based learning, overseas study counselling and other educational services through its training center network.



Over 20 years of experience in testing technologies and delivery services, unrivaled knowledge of China's assessment/education market



Possesses industry relationships with educational institutions and enterprises all over China



Established reputation in learning technologies, committed to providing students with quality educational opportunities

ACG At-A-Glance

Ticker	NASDAQ: AACG
IPO	January 2008 (Underwriters: Merrill Lynch, Piper Jaffray)
Auditor	KPMG (since IPO)
Fiscal Year End	December 31
Recent Stock Price	\$1.08 (as of 5/10/2022)
Market Cap	\$33.7 million (as of 5/10/2022)
ADSs Outstanding	31.4 million
Book Value Per ADS	\$0.88

All information as of 3/31/2022 unless otherwise noted.



FIRST QUARTER 2022 HIGHLIGHTS

Ruobai Sima, Chief Financial Officer



ENROLLMENT UPDATE

- Portfolio training programs are ACG's main line of business, consisting of time-based programs and project-based programs.
- Revenue is recognized proportionately per credit hour delivered.

	First Quarter Ended March 31, 2022	First Quarter Ended March 31, 2021	% Change
	No. of Credit Hours	No. of Credit Hours	
Time-based Program	13,070	16,135	(19.0%)
Project-based Program	14,424	11,730	23.0%
Total	27,494	27,865	(1.3%)

Total student enrollment was 997, out of which 537 were enrolled in portfolio training programs, during the first quarter of 2022.

KEY FINANCIAL HIGHLIGHTS

RMB42.1 Million

Total net revenues, up 12.1% from RMB37.6 million in Q1 2021

Driven primarily by growth in portfolio training and overseas study counselling services

45.7%

Gross margin, compared to 39.6% in Q1 2021

Improvement attributable to improved operating efficiencies from the ongoing shift of ACG's portfolio training program mix toward project-based programs and related cost optimization efforts

RMB15.9 Million

Net loss attributable to ACG, compared to RMB19.0 million in Q1 2021

SUMMARY FINANCIAL RESULTS – Q1

	Q1 2021	Q1 2022	Q1 2021	Q1 2022
In 000s except margin and per ADS data	RMB		USD	
Net Revenues	37,590	42,139	\$5,737	\$6,647
Cost of Revenues	22,716	22,868	\$3,467	\$3,607
Gross Profit	14,874	19,271	\$2,270	\$3,040
Gross Margin	39.6%	45.7%	39.6%	45.7%
Operating Expenses	38,104	38,049	\$5,816	\$6,002
Loss from Operations	(23,224)	(18,772)	(\$3,545)	(\$2,961)
Net Loss Attributable to ACG	(19,044)	(15,854)	(\$2,907)	(\$2,501)
Diluted Losses per ADS Attributable to ACG	(0.66)	(0.50)	(\$0.10)	(\$0.08)

BALANCE SHEET HIGHLIGHTS

A solid balance sheet will allow ACG to execute its growth strategy.

	12/31/2021	3/31/2022	12/31/2021	3/31/2022
In 000s	RMB		USD	
Cash and Cash Equivalents	71,339	62,414	\$11,195	\$9,846
Total Current Assets	75,407	69,396	\$11,833	\$10,947
Total Assets	507,175	493,814	\$79,587	\$77,897
Total Current Liabilities	267,979	274,275	\$42,052	\$43,266
Total Liabilities	316,275	319,149	\$49,631	\$50,344
Shareholders' Equity	190,900	174,665	\$29,956	\$27,553
Total Liabilities & Shareholders' Equity	507,175	493,814	\$79,587	\$77,897

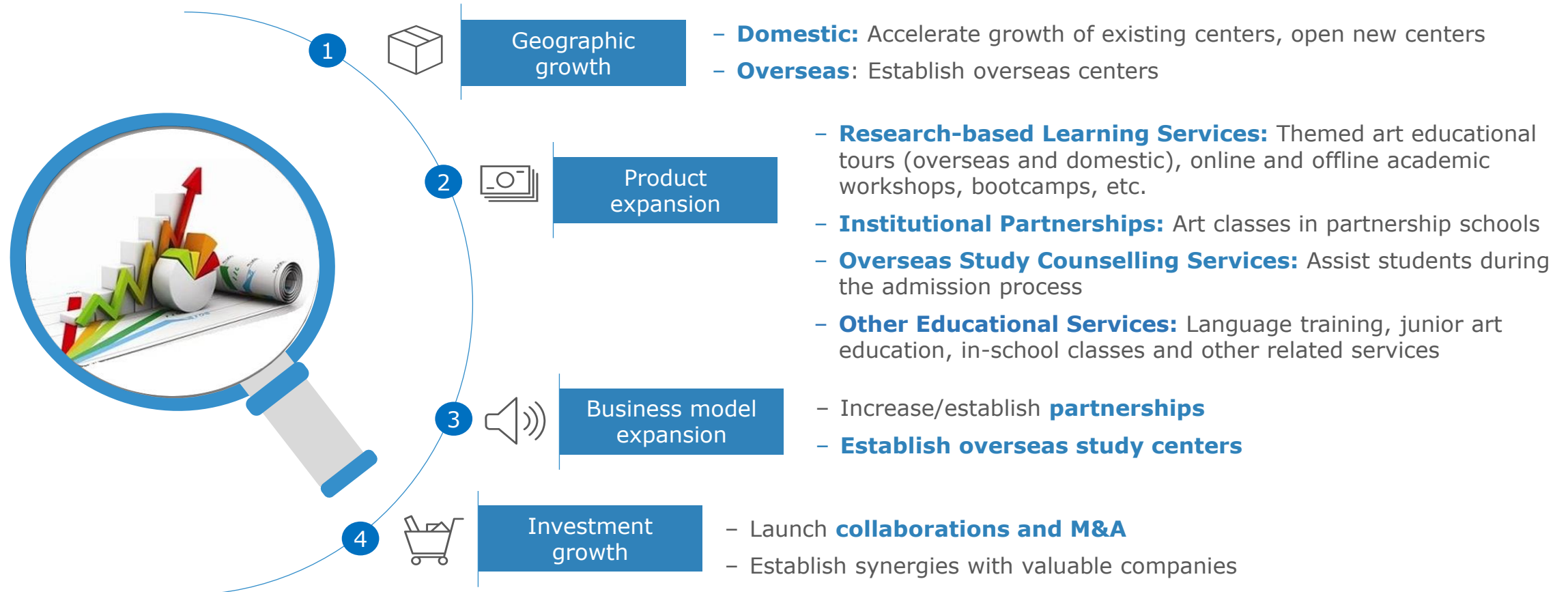
USD\$9.8 million in cash and cash equivalents as of 3/31/2022

2022 OUTLOOK & GROWTH STRATEGY

Kevin Ma, Chairman and CEO
Jun Zhang, President



GLOBAL GROWTH INITIATIVES



GROWTH STRATEGY

ACG plans to leverage its expertise in assessment/education technologies and services, as well as extensive industry relationships, to scale the growth of well-established education enterprises to expand its presence in China and beyond



Increase outreach to support a growing population of students:

- Those seeking overseas study experiences to whom we can offer portfolio training and overseas study counselling services (particularly those applying for art majors)
- Those looking to enhance their capabilities outside academics, using art as a tool
- Those seeking out-of-classroom learning experiences to whom we can offer research-based learning programs



Continue exploring M&A opportunities within the education sector





At ATA Creativity Global

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