



ATA Creativity Global

NASDAQ: AACG

2025 SECOND QUARTER EARNINGS CALL

August 6, 2025

Speakers:

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Jun Zhang, President

Safe Harbor Statement

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Note: All U.S. dollar amounts in this presentation, relating to the financial results for the second quarter and six months ended June 30, 2025, are converted from RMB using an exchange rate of RMB7.1636:\$1.00. 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.

Financial and Operational Results



Ruobai Sima
CFO

Q2 2025 marked by year-over-year increases in net revenues and gross profit

As compared to Q2 2024....

+8.0%
Total
net revenue

+54.2%
Revenues from Overseas Study
Counselling, Research-based
Learning and Other Educational
Services

+10.2%
Gross profit

Net revenue growth primarily driven by overseas study counselling, other educational and research-based learning services, increased gross profit and reduced operating expenses led to improved bottom-line results.

Key Highlights (cont.)

In H1 2025, ACG delivered strong growth, highlighted by double-digit increases in both net revenues and gross profit

As compared to H1 2024....

+11.8%
Total
net revenue

+40.8%
Revenues from Overseas Study
Counselling, Research-based
Learning and Other Educational
Services

+12.8%
Gross profits

Net revenue growth primarily driven by research-based learning, overseas study counselling and other educational services.

Q2 2025 Operational Highlights

Portfolio Training Services

Main revenue contributor

- **Portfolio Training Services remained main source (68.0%) of revenues**
- **Project-based programs** expanded its dominant position within total portfolio training services (76.7% of total credit hours delivered vs 61.2% in Q2 2024)

Research-Based Learning Services

Comprised 32.0% of Q2 2025 total net revenues (vs 22.4% in Q2 2024)

- **Revenue growth supported** by increased number of projects
- **Existing programs**
 - Master Classes covering digital media, interactive sensation, stage design, etc.
 - United Nations Sustainable Goals Arts Boot Camp
- **New programs**
 - Cannes Film Festival Invited Tour

Overseas Study Counselling and Other Education Services

- **Overseas study counselling services** revenue growth as a result of increased services delivered
- **Over 4,000 offers** were received by ACG students during Fall 2025 enrollment application season
- **Other education service revenue growth** supported by new institutional partnerships



Q2 2025 Key Financial Metrics

Q2 2025 vs. Q2 2024

Net Revenue

+8.0%

RMB55.9M (or \$7.8M)

Gross Profit

+10.2%

RMB28.3M (or \$4.0M)

(In RMB)

(In USD)

Other metrics	Q2'25	Q2'24	Q2'25	Q2'24
Net Revenues	55.9M	51.8M	\$7.8M	\$7.1M
Gross profit	28.3M	25.7M	\$4.0M	\$3.5M
Gross margin	50.6%	49.6%	50.6%	49.6%
Total operating expenses	42.1M	46.5M	\$5.9M	\$6.4M
Loss from operations	13.7M	20.8M	\$1.9M	\$2.9M
Net loss attributable to ACG	10.8M	16.8M	\$1.5M	\$2.3M

H1 2025 Key Financial Metrics

H1 2025 vs. H1 2024

Net Revenue

+11.8%

RMB111.7M (or \$15.6M)

Gross Profit

+12.8%

RMB53.7M (or \$7.5M)

(In RMB)

(In USD)

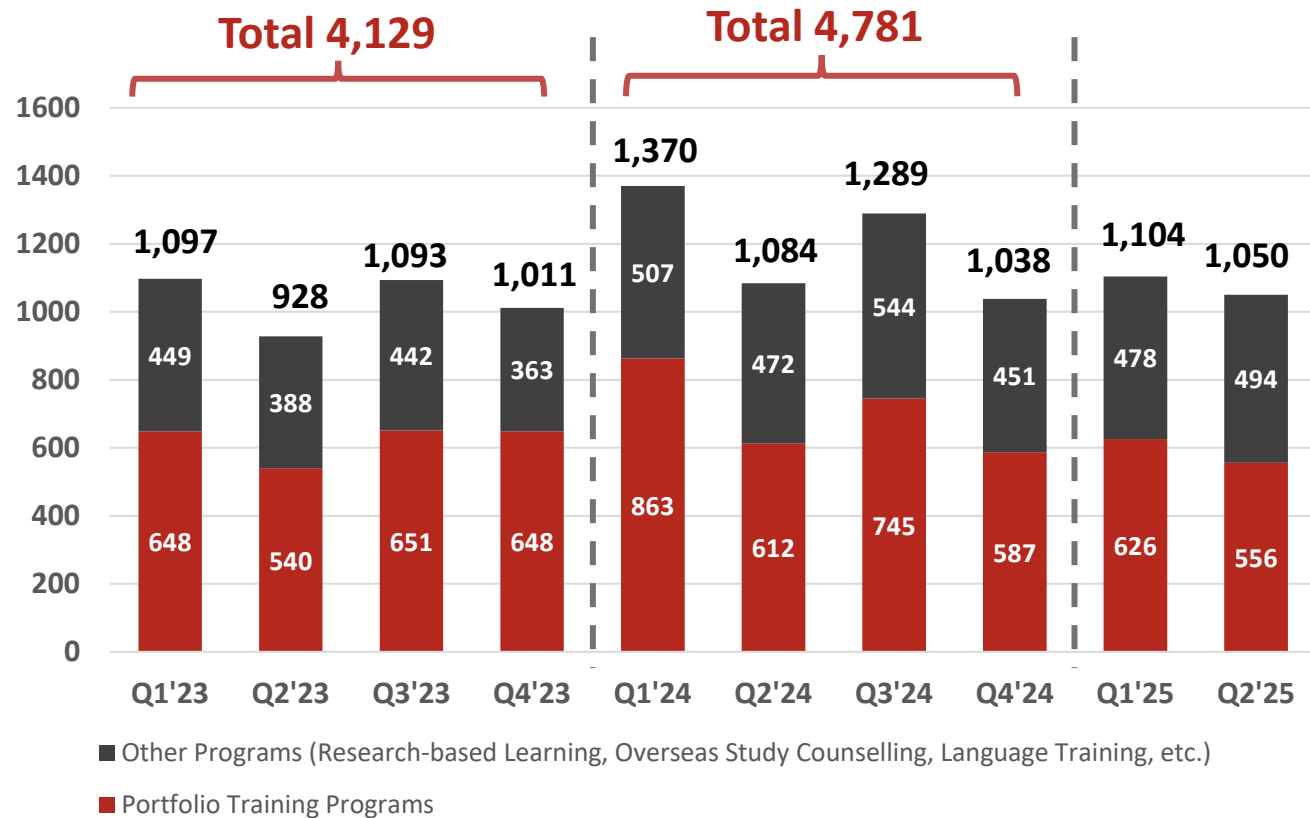
Other metrics	H1'25	H1'24	H1'25	H1'24
Net Revenues	111.7M	99.9M	\$15.6M	\$13.7M
Gross profit	53.7M	47.6M	\$7.5M	\$6.6M
Gross margin	48.1%	47.7%	48.1%	47.7%
Total operating expenses	84.3M	90.1M	\$11.8M	\$12.4M
Loss from operations	30.5M	42.4M	\$4.3M	\$5.8M
Net loss attributable to ACG	24.1M	34.7M	\$3.4M	\$4.8M

Balance Sheet Highlights

	<i>(In RMB)</i>	<i>(In USD)</i>
	<i>As of 6/30/2025</i>	
Cash and cash equivalents	34.7M	\$4.8M
Total current assets	70.2M	\$9.8M
Total assets	444.2M	\$62.0M
Total current liabilities	374.2M	\$52.2M
Total liabilities	388.4M	\$54.2M
Total shareholders' equity	55.8M	\$7.8M

Enrollment Trends*

Total Student Enrollment Breakdown

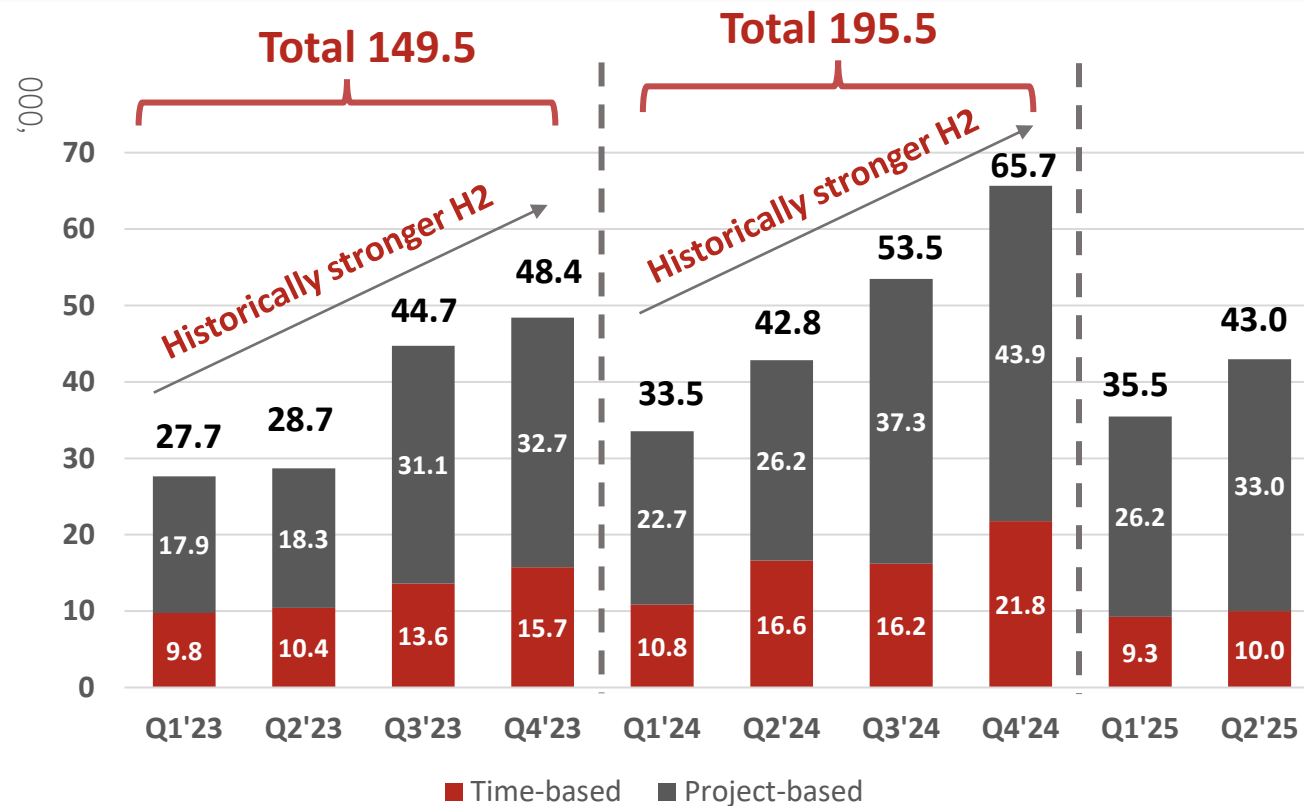


Student enrollment growth normalized in 2025,
as the surge in 2024 was due to significantly increased international traveling and studying activities following the COVID-19 pandemic recovery

*Student enrollment does not fully correlate with revenues for the same period.

Enrollment Trends – Increased Credit Hours Delivered

Portfolio Training Program Credit Hours Breakout



H1 2025

vs H1 2024



Total Credit Hours

+2.7%

Project – Based*

+20.9%

**As ACG continues to encourage students
to opt for the more flexible and
customizable project-based track**

*Project-based programs credit hours (both as a number and as a percentage of total credit hours) continued to grow in the recent years.

Revenue Growth to Continue in 2025

- **FY 2025 Revenue Guidance**
Approximately RMB276M – RMB281M
+~3% to +~5% vs FY 2024
- **Portfolio training services will continue to be the primary revenue contributor** and serve as the main student acquisition channel for other business lines, driving all other business lines to grow
- Growth supported by **expansion of new and higher-value services/offerings**

2025 Growth Strategy



Jun Zhang
President

Growth Strategy

1

Organic: focus on higher fee /margin services

- Encourage students to opt for **project-based programs**
- Ramp up of revenues generated via **Research-Based Learning** and **Overseas Study Counselling services**
- Help students complete their portfolio creation projects more efficiently through mindful planning and intensified coaching
- Involve teaching staff in **product design and sales** to improve program quality and boost sales

2

Strengthen & expand geographic footprint

- **Domestic:** Expand coverage in existing cities, concentrate regional resources on larger centers
- **Overseas:** Establish overseas centers
- Increase/establish domestic and international **partnerships**

3

Launch of new services

- **Continued innovation and introduction** of new research-based learning programs
- **Other Educational Services:** Overseas college foundation programs, in-school art classes in partnership schools, and more

4

M&A opportunities

- Exploring collaborations and **M&A opportunities in a highly fragmented market**

Q&A Session

Contact Us



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Balance Sheet – As of June 30, 2025

	December 31, 2024	June 30, 2025	June 30, 2025
	RMB	RMB	USD
ASSETS			
<i>Current assets:</i>			
Cash and cash equivalents	36,523,995	34,673,597	4,840,248
Accounts receivable	2,712,845	298,377	41,652
Prepaid expenses and other current assets	27,402,834	35,211,176	4,915,291
Total current assets	66,639,674	70,183,150	9,797,191
Long-term investments	38,000,000	38,000,000	5,304,595
Property and equipment, net	38,698,086	35,081,608	4,897,204
Intangible assets, net	46,236,111	37,369,444	5,216,573
Goodwill	196,289,492	196,289,492	27,400,957
Other non-current assets	35,156,141	35,443,720	4,947,753
Right-of-use assets	35,907,761	31,199,515	4,355,284
Deferred income tax assets	—	674,306	94,129
Total assets	456,927,265	444,241,235	62,013,686
LIABILITIES AND SHAREHOLDERS' EQUITY			
<i>Current liabilities:</i>			
Accrued expenses and other payables	56,372,960	48,255,332	6,736,186
Short-term loan	—	16,031,929	2,237,971
Lease liabilities-current	18,085,643	15,282,103	2,133,299
Deferred revenues	280,036,806	294,623,424	41,127,844
Total current liabilities	354,495,409	374,192,788	52,235,300
Lease liabilities-non-current	17,120,842	14,233,741	1,986,954
Deferred income tax liabilities	5,664,822	—	—
Total liabilities	377,281,073	388,426,529	54,222,254
<i>Shareholders' equity:</i>			
Common shares	4,755,623	4,764,603	665,113
Treasury shares	(8,201,046)	(8,201,046)	(1,144,822)
Additional paid-in capital	547,915,003	548,183,361	76,523,446
Accumulated other comprehensive loss	(36,952,183)	(36,947,902)	(5,157,728)
Accumulated deficit	(427,806,949)	(451,920,026)	(63,085,603)
Total shareholders' equity attributable to ACG	79,710,448	55,878,990	7,800,406
Non-redeemable non-controlling interests	(64,256)	(64,284)	(8,974)
Total shareholders' equity	79,646,192	55,814,706	7,791,432
Commitments and contingencies	—	—	—
Total liabilities and shareholders' equity	456,927,265	444,241,235	62,013,686

Consolidated Statements of Comprehensive Income (Q2 2025)

	Three-month Period Ended		
	June 30,	June 30,	June 30,
	2024	2025	2025
	RMB	RMB	USD
Net revenues	51,763,927	55,890,383	7,801,997
Cost of revenues	26,071,829	27,583,669	3,850,532
Gross profit	25,692,098	28,306,714	3,951,465
Operating expenses:			
Research and development	1,153,780	850,299	118,697
Sales and marketing	24,081,769	21,536,290	3,006,350
General and administrative	21,235,504	19,721,654	2,753,037
Total operating expenses	46,471,053	42,108,243	5,878,084
Other operating income, net	20,692	53,822	7,513
Loss from operations	(20,758,263)	(13,747,707)	(1,919,106)
Other income (expense):			
Interest income, net of interest expenses	310,074	33,964	4,741
Foreign currency exchange losses, net	(5,304)	(7,712)	(1,077)
Loss before income taxes	(20,453,493)	(13,721,455)	(1,915,442)
Income tax benefit	(3,699,983)	(2,953,020)	(412,226)
Net loss	(16,753,510)	(10,768,435)	(1,503,216)
Net income (loss) attributable to non-redeemable non-controlling interests	(22)	0	0
Net loss attributable to ACG	(16,753,488)	(10,768,435)	(1,503,216)
Other comprehensive income (loss):			
Foreign currency translation adjustment, net of nil income taxes	23,614	(7,968)	(1,112)
Comprehensive loss attributable to ACG	(16,729,874)	(10,776,403)	(1,504,328)
Basic and diluted losses per common share attributable to ACG	(0.27)	(0.17)	(0.02)
Basic and diluted losses per ADS attributable to ACG	(0.54)	(0.34)	(0.04)

Consolidated Statements of Comprehensive Income (H1 2025)

	Six-month Period Ended		
	June 30,	June 30,	June 30,
	2024	2025	2025
	RMB	RMB	USD
Net revenues	99,889,746	111,681,289	15,590,107
Cost of revenues	52,287,181	57,986,264	8,094,570
Gross profit	47,602,565	53,695,025	7,495,537
Operating expenses:			
Research and development	2,184,042	1,598,301	223,114
Sales and marketing	46,643,677	42,792,521	5,973,606
General and administrative	41,242,442	43,695,797	6,099,698
Provision for loan receivable and other receivables	—	(3,781,662)	(527,900)
Total operating expenses	90,070,161	84,304,957	11,768,518
Other operating income, net	43,780	72,627	10,138
Loss from operations	(42,423,816)	(30,537,305)	(4,262,843)
Other income (expense):			
Interest income, net of interest expenses	643,219	95,510	13,333
Foreign currency exchange losses, net	(5,868)	(10,438)	(1,457)
Loss before income taxes	(41,786,465)	(30,452,233)	(4,250,967)
Income tax benefit	(7,084,151)	(6,339,128)	(884,908)
Net loss	(34,702,314)	(24,113,105)	(3,366,059)
Net loss attributable to non-redeemable non-controlling interests	(50)	(28)	(4)
Net loss attributable to ACG	(34,702,264)	(24,113,077)	(3,366,055)
Other comprehensive income:			
Foreign currency translation adjustment, net of nil income taxes	36,425	4,281	598
Comprehensive loss attributable to ACG	(34,665,839)	(24,108,796)	(3,365,457)
Basic and diluted losses per common share attributable to ACG	(0.55)	(0.38)	(0.05)
Basic and diluted losses per ADS attributable to ACG	(1.10)	(0.76)	(0.10)