



ATA Creativity Global

NASDAQ: AACG

2025 THIRD QUARTER EARNINGS CALL

November 12, 2025

Speakers:

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Safe Harbor Statement

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Note: All U.S. dollar amounts in this presentation, relating to the financial results for the third quarter and nine months ended September 30, 2025, are converted from RMB using an exchange rate of RMB7.1190:\$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



Q3 2025:

market by cost savings initiatives due to streamlined sales process

As compared to Q3 2024...

Stable

Total net revenues

Lowered

operating expenses

Streamlined

Sales process

9M 2025: revenue growth and cost saving initiatives

As compared to 9M 2024....

+7.1%

Increase in total net
revenue

3.2%

Increase in gross profit

Lowered
operating expenses

Improved
Bottom-line results

Net revenue growth primarily driven by research-based learning, overseas study counselling and other educational services, despite overall normalized market demand.

Q3 2025 Operational Highlights

Portfolio Training Services

Main revenue contributor

- **Portfolio Training Services remained main revenue contributor (71.9%)**
 - Project-based programs credit hours increased 22.9% year-over-year (accounting for 81.1% of total credit hours delivered vs 69.7% in Q3 2024)

Research-Based Learning Services

Comprised 28.1% of Q3 2025 total net revenues (vs 26.5% in Q3 2024)

- **Revenue growth supported** by increased number of projects, serving 500+ students
- **Existing programs**
 - Master Classes covering computer engineering, game design, and animation.
 - UN Sustainable Goals Arts Boot Camp
 - New York Fashion week program
 - 14 summer labs
- **New programs**
 - PolyU digital entertainment media design lab

Overseas Study Counselling and Other Education Services

- **Overseas study counselling services** revenue grew as a result of increased services delivered
- **ACG Beijing Foundation Center** expanded service scopes



Q3 2025 Key Financial Metrics

Q3 2025 vs. Q3 2024

Net Revenue
RMB67.3M (or \$9.5M)

Gross Profit
RMB26.4M (or \$3.7M)

(In RMB)

(In USD)

Other metrics	<i>(In RMB)</i>		<i>(In USD)</i>	
	Q3'25	Q3'24	Q3'25	Q3'24
Net Revenues	67.3M	67.3M	\$9.5M	\$9.6M*
Gross profit	26.4M	30.0M	\$3.7M	\$4.3M
Gross margin	39.2%	44.6%	39.2%	44.6%
Total operating expenses	37.0M	47.7M	\$5.2M	\$6.8M
Loss from operations	(10.6M)	(17.6M)	(\$1.5M)	(\$2.5M)
Net income (loss) attributable to ACG	2.4M	(14.7M)	\$0.3M	(\$2.1M)

* USD amount difference as a result of foreign exchange rate fluctuations

9M 2025 Key Financial Metrics

9M 2025 vs. 9M 2024

Net Revenue

+7.1%

RMB179.0M (or \$25.1M)

Gross Profit

+3.2%

RMB80.1M (or \$11.2M)

(In RMB)

(In USD)

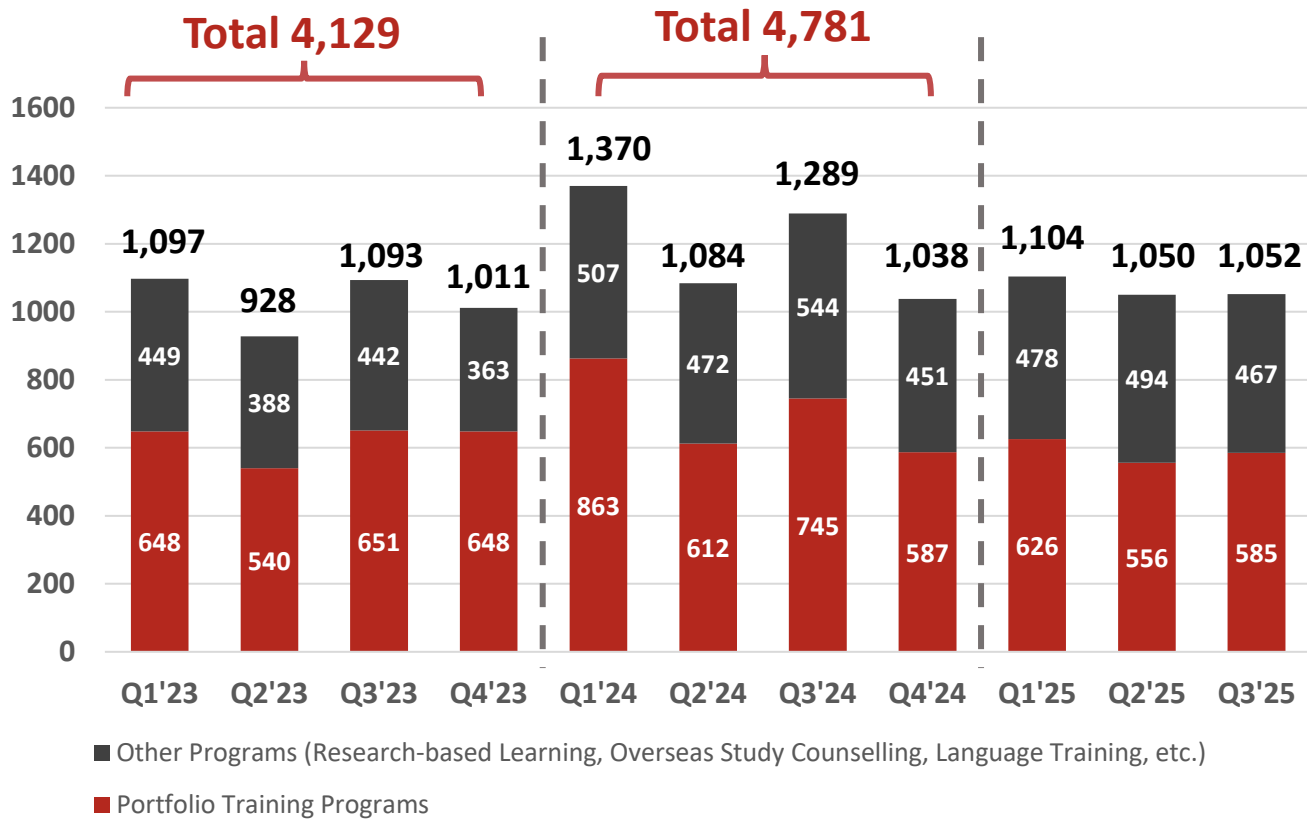
Other metrics	9M'25	9M'24	9M'25	9M'24
Net Revenues	179.0M	167.1M	\$25.1M	\$23.8M
Gross profit	80.1M	77.6M	\$11.2M	\$11.1M
Gross margin	44.7%	46.4%	44.7%	46.4%
Total operating expenses	121.3M	137.7M	\$17.0M	\$19.6M
Loss from operations	(41.1M)	(60.0M)	(\$5.8M)	(\$8.6M)
Net loss attributable to ACG	(21.7M)	(49.4M)	(\$3.1M)	(\$7.0M)

Balance Sheet Highlights

	<i>(In RMB)</i>	<i>(In USD)</i>
	<i>As of 9/30/2025</i>	
Cash and cash equivalents	96.8M	\$13.6M
Total current assets	126.5M	\$17.8M
Total assets	462.5M	\$65.0M
Total current liabilities	386.1M	\$54.2M
Total liabilities	403.7M	\$56.7M
Total shareholders' equity	58.8M	\$8.3M

Enrollment Trends*

Total Student Enrollment Breakdown

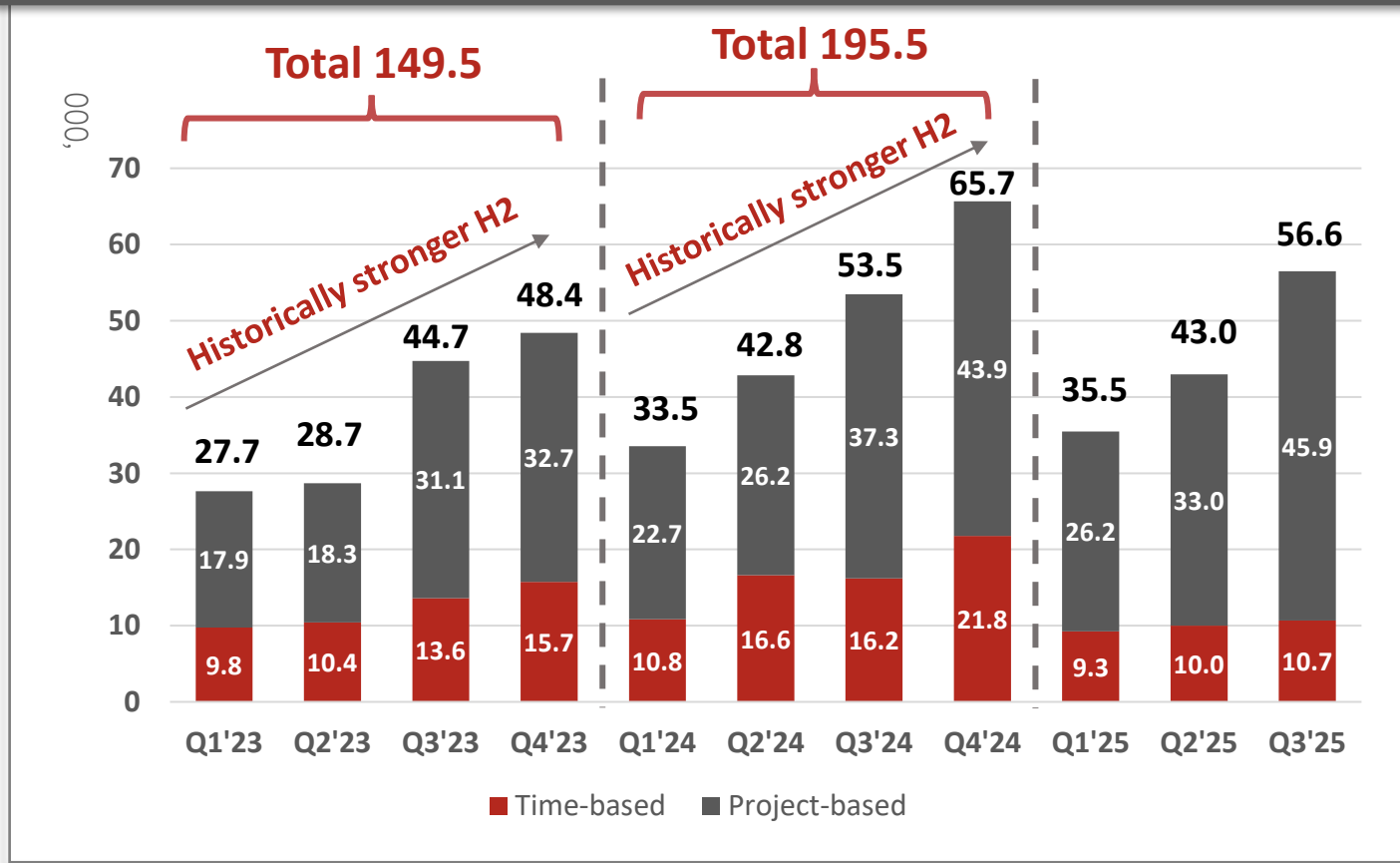


Student enrollment growth normalized in 2025,
 as the surge in 2024 was due to significantly increased international traveling and studying activities following the COVID-19 pandemic recovery

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

Enrollment Trends – Increased Credit Hours Delivered

Portfolio Training Program Credit Hours Breakout



9M 2025
vs 9M 2024



Total Credit Hours

+3.9%

Project – Based*

+21.8%

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.

On Track to Achieve FY 2025 Revenue Guidance

- **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 to accommodate a larger student base**



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**
- Mindful planning, intensified coaching, and continuous improvement on **product offerings**
- Engolve teaching staff in **product design and sales** to improve program quality and boost sales

2

Strategic Planning of Geographic Markets

- **Domestic:** Concentrate regional resources on larger centers, and gradually consolidate select campuses in less active markets.
- **Overseas:** Establish overseas centers

3

Launch of new services

- Increase/establish domestic and international **partnerships**, enabling access to world-class educational resources
- **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

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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 September 30, 2025

	December 31, 2024 RMB	September 30, 2025 RMB	September 30, 2025 USD
ASSETS			
<i>Current assets:</i>			
Cash and cash equivalents	36,523,995	96,807,261	13,598,435
Accounts receivable	2,712,845	298,376	41,913
Prepaid expenses and other current assets	27,402,834	29,433,191	4,134,456
Total current assets	66,639,674	126,538,828	17,774,804
Long-term investments	38,000,000	—	—
Property and equipment, net	38,698,086	33,808,663	4,749,075
Intangible assets, net	46,236,111	34,491,667	4,845,016
Goodwill	196,289,492	196,289,492	27,572,621
Other non-current assets	35,156,141	34,606,874	4,861,199
Right-of-use assets	35,907,761	35,214,706	4,946,580
Deferred income tax assets	—	1,581,981	222,220
Total assets	456,927,265	462,532,211	64,971,515
LIABILITIES AND SHAREHOLDERS' EQUITY			
<i>Current liabilities:</i>			
Accrued expenses and other payables	56,372,960	45,416,644	6,379,639
Short-term loan	—	32,063,829	4,503,979
Lease liabilities-current	18,085,643	16,238,233	2,280,971
Deferred revenues	280,036,806	292,413,743	41,075,115
Total current liabilities	354,495,409	386,132,449	54,239,704
Lease liabilities-non-current	17,120,842	17,579,017	2,469,310
Deferred income tax liabilities	5,664,822	—	—
Total liabilities	377,281,073	403,711,466	56,709,014
<i>Shareholders' equity:</i>			
Common shares	4,755,623	4,764,603	669,280
Treasury shares	(8,201,046)	(8,201,046)	(1,151,994)
Additional paid-in capital	547,915,003	548,711,589	77,077,060
Accumulated other comprehensive loss	(36,952,183)	(36,839,527)	(5,174,818)
Accumulated deficit	(427,806,949)	(449,550,590)	(63,147,997)
Total shareholders' equity attributable to ACG	79,710,448	58,885,029	8,271,531
Non-redeemable non-controlling interests	(64,256)	(64,284)	(9,030)
Total shareholders' equity	79,646,192	58,820,745	8,262,501
Commitments and contingencies	—	—	—
Total liabilities and shareholders' equity	456,927,265	462,532,211	64,971,515

Consolidated Statements of Comprehensive Income (Q3 2025)

	Three-month Period Ended		
	September 30, 2024	September 30, 2025	September 30, 2025
	RMB	RMB	USD
Net revenues	67,254,807	67,304,440	9,454,199
Cost of revenues	37,256,461	40,930,214	5,749,433
Gross profit	29,998,346	26,374,226	3,704,766
Operating expenses:			
Research and development	740,049	760,913	106,885
Sales and marketing	25,743,503	19,781,322	2,778,666
General and administrative	21,172,200	16,435,566	2,308,690
Total operating expenses	47,655,752	36,977,801	5,194,241
Other operating income, net	42,806	45,975	6,458
Loss from operations	(17,614,600)	(10,557,600)	(1,483,017)
Other income (expense):			
Investments income	—	11,932,630	1,676,167
Interest income, net of interest expenses	224,646	93,963	13,199
Foreign currency exchange losses, net	(1,800)	(7,232)	(1,016)
Income (loss) before income taxes	(17,391,754)	1,461,761	205,333
Income tax benefit	(2,739,486)	(907,675)	(127,500)
Net income (loss)	(14,652,268)	2,369,436	332,833
Net income (loss) attributable to non-controlling interests	(22)	0	0
Net income (loss) attributable to ACG	(14,652,246)	2,369,436	332,833
Other comprehensive income (loss):			
Foreign currency translation adjustment, net of nil income taxes	(98,370)	108,375	15,223
Comprehensive income (loss) attributable to ACG	(14,750,616)	2,477,811	348,056
Basic and diluted earnings (losses) per common share attributable to ACG	(0.23)	0.04	0.01
Basic and diluted earnings (losses) per ADS attributable to ACG	(0.46)	0.08	0.02

Consolidated Statements of Comprehensive Income (9M 2025)

	Nine-month Period Ended		
	September 30, 2024	September 30, 2025	September 30, 2025
	RMB	RMB	USD
Net revenues	167,144,553	178,985,729	25,141,976
Cost of revenues	89,543,642	98,916,478	13,894,715
Gross profit	77,600,911	80,069,251	11,247,261
Operating expenses:			
Research and development	2,924,091	2,359,214	331,397
Sales and marketing	72,387,180	62,573,843	8,789,696
General and administrative	62,414,642	60,131,363	8,446,602
Provision for loan receivable and other receivables	—	(3,781,662)	(531,207)
Total operating expenses	137,725,913	121,282,758	17,036,488
Other operating income, net	86,586	118,602	16,660
Loss from operations	(60,038,416)	(41,094,905)	(5,772,567)
Other income (expense):			
Investments income	—	11,932,630	1,676,167
Interest income, net of interest expenses	867,865	189,473	26,615
Foreign currency exchange losses, net	(7,668)	(17,670)	(2,482)
Loss before income taxes	(59,178,219)	(28,990,472)	(4,072,267)
Income tax benefit	(9,823,637)	(7,246,803)	(1,017,952)
Net loss	(49,354,582)	(21,743,669)	(3,054,315)
Net loss attributable to non-controlling interests	(72)	(28)	(4)
Net loss attributable to ACG	(49,354,510)	(21,743,641)	(3,054,311)
Other comprehensive income (loss):			
Foreign currency translation adjustment, net of nil income taxes	(61,945)	112,656	15,825
Comprehensive loss attributable to ACG	(49,416,455)	(21,630,985)	(3,038,486)
Basic and diluted losses per common share attributable to ACG	(0.78)	(0.34)	(0.05)
Basic and diluted losses per ADS attributable to ACG	(1.56)	(0.68)	(0.10)