



ATA Creativity Global

NASDAQ: AACG

2025 FOURTH QUARTER & FULL YEAR EARNINGS CALL

March 25, 2026

Speakers:

Kevin Ma, Chairman & CEO

Ruobai Sima, CFO

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 fourth quarter and full year ended December 31, 2025, are converted from RMB using an exchange rate of RMB6.9931:\$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.

Welcome Remarks



Kevin Ma
Chairman & CEO



Q4 2025:

Marked by cost savings initiatives and streamlined operations

RMB89.1M
Total Revenue

Higher Contribution
From research-based learning and other
educational services

As compared to Q4 2024....

15.7% Lower
operating expenses
(excluding a one-time goodwill
impairment charge)

As compared to Q4 2024....

FY 2025:

Stable revenue; improved margins due to cost saving initiatives

RMB268.11 M

Total Revenue

10.8% Lower

Operating expenses

(excluding a one-time goodwill impairment charge in Q4 2025 and provision for loan receivable and other receivables in Q1 2025)

As compared to FY 2024....

RMB85.2M

Cash and Cash
Equivalents

Net revenue supported by core portfolio training services, and increased contribution from research-based learning, overseas study counselling and other educational services, despite overall normalized market demand.

Q4 2025 Operational Highlights

Portfolio Training Services

Main revenue contributor

- **Portfolio Training Services remained main revenue contributor (68.8%)**
 - Primary portfolio training track - Project-based programs credit hours accounted for 74.9% of total credit hours delivered vs 66.8% in Q4 2024)

Research-Based Learning Services

Comprised 31.2% of Q4 2025 total net revenues (vs 26.4% in Q4 2024)

- **Existing programs**
 - 10 Master Classes covering installation art, animation, digital media, fashion, and interaction
 - Shanghai Fashion week program

Overseas Study Counselling and Other Education Services

- **ACG Japan Center** expanded service scopes and improves portfolio of offerings
- **ACG's first music preparatory center** in association with Leeds Conservatoire
- **Other education services** growth supported by growing institutional partnerships



Financial and Operational Results



Ruobai Sima
CFO



Q4 2025 Key Financial Metrics

Q4 2025 vs. Q4 2024

Net Revenue

RMB89.1M (or \$12.7 M)

Gross Profit

RMB50.2M (or \$7.2M)

(In RMB)

(In USD)

Other metrics	<i>(In RMB)</i>		<i>(In USD)</i>	
	Q4'25	Q4'24	Q4'25	Q4'24
Net Revenues	89.1M	100.9M	\$12.7M	\$13.8M
Gross profit	50.2M	63.7M	\$7.2M	\$8.7M
Gross margin	56.4%	63.1%	56.4%	63.1%
Total operating expenses*	73.3M	46.8M	\$10.5M	\$6.4M
Income/(Loss) from operations	(23.0M)	17.0M	(\$3.3M)	\$2.3M
Net income/(loss) attributable to ACG	(26.3M)	13.3M	(\$3.8M)	\$1.8M

Note: Total operating expenses increase was mainly due to a one-time goodwill impairment charge of RMB33.9 million (or \$4.8 million) recorded in Q4 2025 which was not recorded in Q4 2024, and partially offset by decreased selling expenses during the period

FY 2025 Key Financial Metrics

FY 2025 vs. FY 2024

Net Revenue

RMB268.1M (or \$38.3M)

Gross Profit

RMB130.3M (or \$18.6M)

(In RMB)

(In USD)

Other metrics	<i>(In RMB)</i>		<i>(In USD)</i>	
	FY'25	FY'24	FY'25	FY'24
Net Revenues	268.1M	268.1M	\$38.3M	\$36.7M
Gross profit	130.3M	141.3M	\$18.6M	\$19.4M
Gross margin	48.6%	52.7%	48.6%	52.7%
Total operating expenses*	194.6M	184.5M	\$27.8M	\$25.3M
Loss from operations	(64.1M)	(43.2M)	(\$9.2M)	(\$5.9M)
Net loss attributable to ACG	(48.0M)	(36.1M)	(\$6.9M)	(\$4.9M)

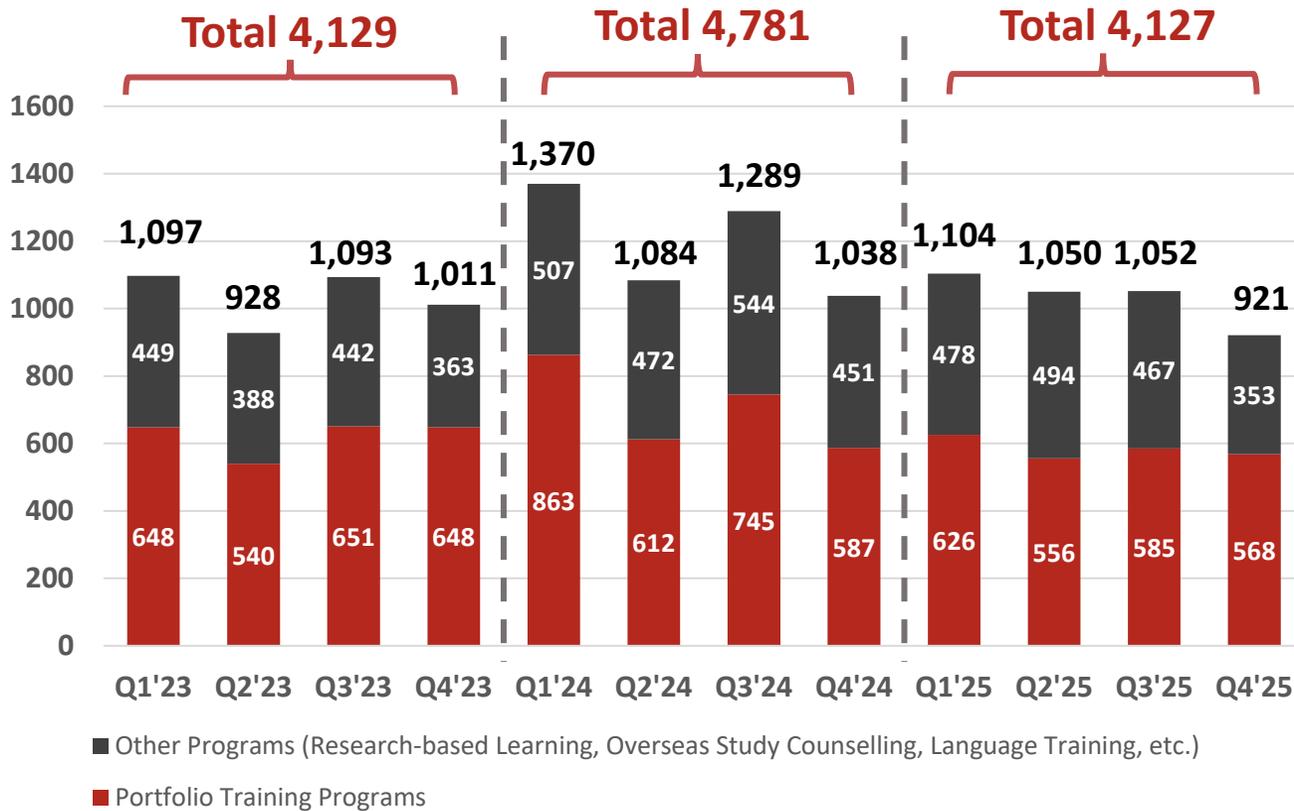
Note: Total operating expenses increase was mainly due to a one-time goodwill impairment charge of RMB33.9 million (or \$4.8 million) recorded in Q4 2025, and partially offset by decreased overall operating expenses during the period and an RMB3.8 million (or \$0.5 million) the collection of previously impaired loans and other receivables recorded in Q1 2025

Balance Sheet Highlights

	<i>(In RMB)</i>	<i>(In USD)</i>
	<i>As of 12/31/2025</i>	
Cash and cash equivalents	85.2M	\$12.2M
Total current assets	111.4M	\$15.9M
Total assets	408.3M	\$58.4M
Total current liabilities	344.6M	\$49.3M
Total liabilities	376.3M	\$53.8M
Total shareholders' equity	32.0M	\$4.6M

Enrollment Trends*

Total Student Enrollment Breakdown

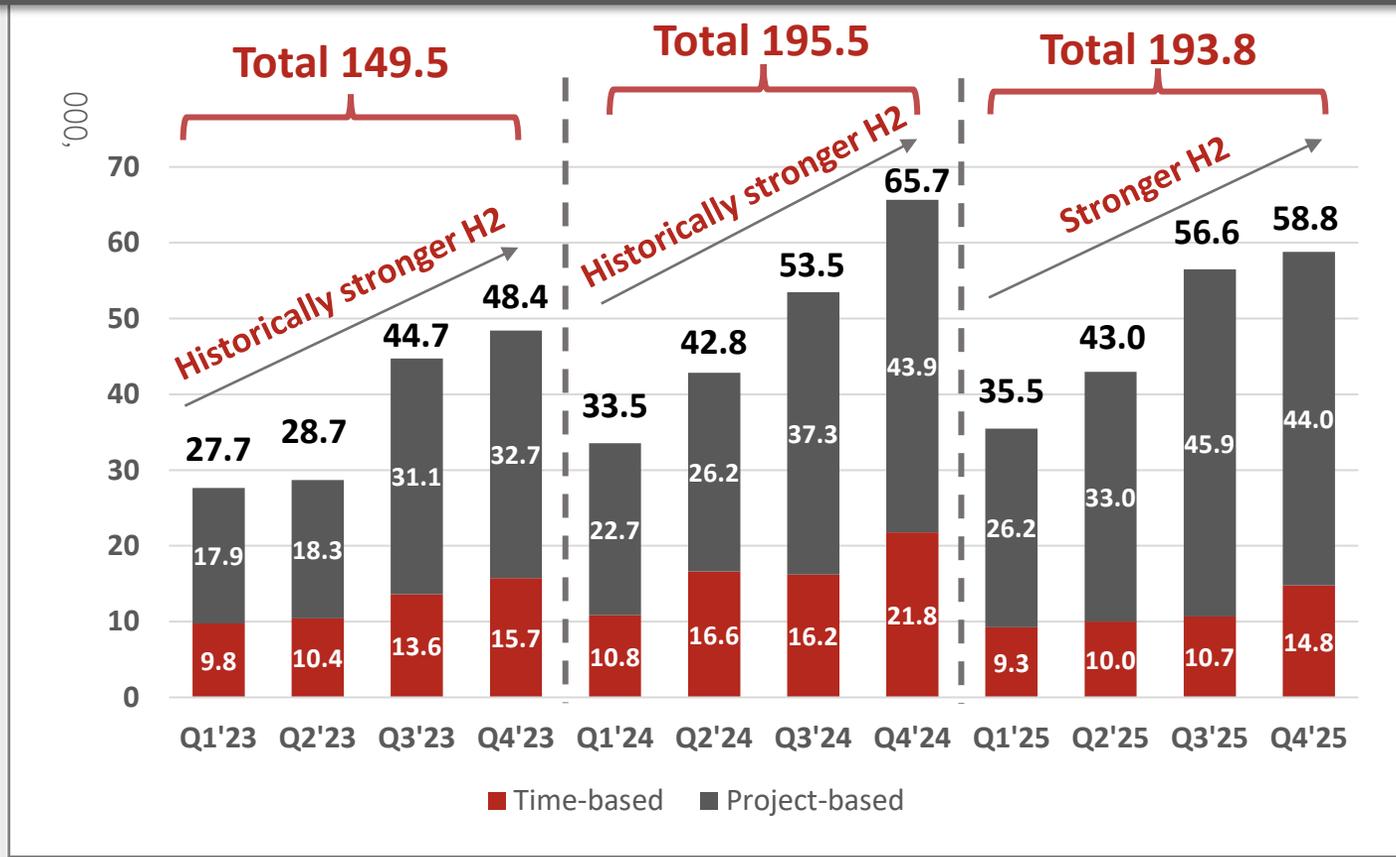


Student enrollment growth normalized in 2025,
 as the surge in 2024 was due to significantly increased international traveling and studying activities following the COVID-19 pandemic recovery

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

Enrollment Trends

Portfolio Training Program Credit Hours Breakout



FY 2025
vs FY 2024



Total Credit Hours -10.5%
as demand normalized

Project - based*
+0.3%

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.



Jun Zhang
President



Maintain leading position in China's creative arts education industry

- **Leverage skilled and experienced teaching team, existing and new high-quality offerings, and an extensive network of global partnerships with arts institutions**
- **Expand operational efficiency initiatives and take additional steps to manage operating and administrative expenses by**
 - Optimizing service portfolio
 - Improving classroom utilization
 - Strategically allocating teaching resources to larger campus locations
 - Streamlining sales organization and prioritizing cost-effective and proven student acquisition channels

Long-term 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

Improve **classroom utility**

2

Strategic Planning of Geographic Markets

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

Q&A Session

Contact Us



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Balance Sheet – As of December 31, 2025

	December 31, 2024 RMB	December 31, 2025 RMB	December 31, 2025 USD
ASSETS			
Current assets:			
Cash and cash equivalents	36,523,995	85,236,288	12,188,627
Accounts receivable	2,712,845	298,377	42,667
Prepaid expenses and other current assets	27,402,834	25,832,459	3,693,993
Total current assets	66,639,674	111,367,124	15,925,287
Long-term investments	38,000,000	—	—
Property and equipment, net	38,669,283	32,139,682	4,595,913
Intangible assets, net	46,264,914	32,482,513	4,644,938
Goodwill	196,289,492	162,380,773	23,220,142
Other non-current assets	35,156,141	39,288,983	5,618,250
Right-of-use assets	35,907,761	30,638,920	4,381,307
Total assets	456,927,265	408,297,995	58,385,837
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accrued expenses and other payables	56,372,960	56,493,791	8,078,505
Short-term loan	—	1,000,000	142,998
Lease liabilities-current	18,085,643	15,303,799	2,188,414
Deferred revenues	280,036,806	271,781,907	38,864,296
Total current liabilities	354,495,409	344,579,497	49,274,213
Lease liabilities-non-current	17,120,842	14,617,119	2,090,220
Long term loans	—	15,031,900	2,149,533
Deferred income tax liabilities	5,664,822	2,086,619	298,383
Total liabilities	377,281,073	376,315,135	53,812,349
Shareholders' equity:			
Common shares	4,755,623	4,780,117	683,548
Treasury shares	(8,201,046)	(8,201,046)	(1,172,734)
Additional paid-in capital	547,915,003	548,769,331	78,472,970
Accumulated other comprehensive loss	(36,952,183)	(37,446,814)	(5,354,823)
Accumulated deficit	(427,806,949)	(475,854,443)	(68,046,280)
Total shareholders' equity attributable to ACG	79,710,448	32,047,145	4,582,681
Non-redeemable non-controlling interests	(64,256)	(64,285)	(9,193)
Total shareholders' equity	79,646,192	31,982,860	4,573,489
Commitments and contingencies	—	—	—
Total liabilities and shareholders' equity	456,927,265	408,297,995	58,385,837

Consolidated Statements of Comprehensive Income (Q4 2025)

	Three-month Period Ended		
	December 31,	December 31,	December 31,
	2024	2025	2025
	RMB	RMB	USD
Net revenues	100,915,609	89,127,147	12,745,013
Cost of revenues	37,251,567	38,885,048	5,560,488
Gross profit	63,664,042	50,242,099	7,184,525
Operating expenses:			
Research and development	779,087	712,444	101,878
Sales and marketing	27,505,624	20,057,984	2,868,254
General and administrative	18,473,416	18,636,043	2,664,919
Goodwill impairment		33,908,719	4,848,882
Total operating expenses	46,758,127	73,315,190	10,483,933
Other operating income, net	88,345	57,296	8,193
Income (loss) from operations	16,994,260	(23,015,795)	(3,291,215)
Other income (expense):			
Investments income	(438,153)	(51,928)	(7,426)
Interest income, net of interest expenses	133,870	434,200	62,090
Foreign currency exchange losses, net	(11,321)	(1,731)	(248)
Income (loss) before income taxes	16,678,656	(22,635,254)	(3,236,799)
Income tax benefit	3,421,946	3,668,600	524,603
Net income (loss)	13,256,710	(26,303,854)	(3,761,402)
Net income (loss) attributable to non-controlling interests	(23)	(1)	0
Net income (loss) attributable to ACG	13,256,733	(26,303,853)	(3,761,402)
Other comprehensive income (loss):			
Foreign currency translation adjustment, net of nil income taxes	114,269	(607,287)	(86,841)
Comprehensive income (loss) attributable to ACG	13,371,002	(26,911,140)	(3,848,243)
Basic and diluted earnings (losses) per common share attributable to ACG	0.21	(0.42)	(0.06)
Basic and diluted earnings (losses) per ADS attributable to ACG	0.42	(0.84)	(0.12)

Consolidated Statements of Comprehensive Income (FY 2025)

	Year Ended		
	December 31,	December 31,	December 31,
	2024	2025	2025
	RMB	RMB	USD
Net revenues	268,060,162	268,112,876	38,339,631
Cost of revenues	126,795,209	137,801,526	19,705,356
Gross profit	141,264,953	130,311,350	18,634,275
Operating expenses:			
Research and development	3,703,178	3,071,659	439,241
Sales and marketing	99,892,804	82,631,826	11,816,194
General and administrative	80,888,058	78,767,406	11,263,589
Goodwill impairment	—	33,908,719	4,848,882
Reversal of provision for loan receivable and other receivables	—	(3,781,662)	(540,770)
Total operating expenses	184,484,040	194,597,948	27,827,136
Other operating income, net	174,931	175,898	25,153
Loss from operations	(43,044,156)	(64,110,700)	(9,167,708)
Other income (expense):			
Investments income	(438,153)	11,880,702	1,698,918
Interest income, net of interest expenses	1,001,735	623,673	89,184
Foreign currency exchange losses, net	(18,989)	(19,401)	(2,774)
Loss before income taxes	(42,499,563)	(51,625,726)	(7,382,379)
Income tax benefit	(6,401,691)	(3,578,203)	(511,676)
Net loss	(36,097,872)	(48,047,523)	(6,870,703)
Net loss attributable to non-controlling interests	(95)	(29)	(4)
Net loss attributable to ACG	(36,097,777)	(48,047,494)	(6,870,699)
Other comprehensive income (loss):			
Foreign currency translation adjustment, net of nil income taxes	52,324	(494,631)	(70,731)
Comprehensive loss attributable to ACG	(36,045,548)	(48,542,125)	(6,941,431)
Basic and diluted losses per common share attributable to ACG	(0.53)	(0.76)	(0.11)
Basic and diluted losses per ADS attributable to ACG	(1.06)	(1.52)	(0.22)