



2021 FIRST QUARTER EARNINGS CALL May 13, 2021

Speakers
Mr. Kevin Ma, Chairman and CEO
Mr. Jun Zhang, President
Ms. Amy Tung, 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, 2021, are converted from RMB using an exchange rate of 6.5518 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 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: ACG
IPO	January 2008 (Underwriters: Merrill Lynch, Piper Jaffray)
Auditor	KPMG (since IPO)
Fiscal Year End	December 31
Recent Stock Price	\$2.83 (as of 5/11/2021)
Market Cap	\$88.8 million (as of 5/11/2021)
ADs Outstanding	31.4 million
Book Value Per ADS	\$0.87

All information as of 3/31/2021 unless otherwise noted.



FIRST QUARTER 2021 HIGHLIGHTS

Amy Tung, Chief Financial Officer



KEY OPERATING HIGHLIGHTS



YoY increase in
total student enrollment

Q1 2021		Q1 2020
964	vs.	681



YoY increase in
**portfolio training program
credit hours delivered**

Q1 2021		Q1 2020
27,865	vs.	26,410

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, 2021	First Quarter Ended March 31, 2020	% Change
	No. of Credit Hours	No. of Credit Hours	
Time-based Program	16,135	16,655	(3.1%)
Project-based Program	11,730	9,755	20.2%
Total	27,865	26,410	5.5%

Total student enrollment was 964, out of which 528 were enrolled in portfolio training programs, during the first quarter of 2021.

KEY FINANCIAL HIGHLIGHTS

A background image showing three stacks of silver coins of increasing height from left to right. A small green tea plant with buds is growing out of the top of each stack. The background is a soft-focus green and yellow bokeh.

RMB37.6 Million

Total net revenues, up 15.0% from RMB32.7 million in Q1 2020

39.6%

Gross margin, compared to 35.8% in Q1 2020

RMB19.0 Million

Net loss attributable to ACG, narrowing from a net loss of RMB20.5 million in Q1 2020

SUMMARY FINANCIAL RESULTS – Q1

	Q1 2020	Q1 2021	Q1 2020	Q1 2021
In 000s except margin and per ADS data	RMB		USD	
Net Revenues	32,703	37,590	\$4,619	\$5,737
Cost of Revenues	20,980	22,716	\$2,963	\$3,467
Gross Profit	11,723	14,874	\$1,656	\$2,270
Gross Margin	35.8%	39.6%	35.8%	39.6%
Operating Expenses	38,426	38,104	\$5,427	\$5,816
Loss from Operations	(26,467)	(23,224)	(\$3,738)	(\$3,545)
Net Loss Attributable to ACG	(20,456)	(19,044)	(\$2,889)	(\$2,907)
Diluted Losses per ADS Attributable to ACG	(0.70)	(0.66)	(\$0.10)	(\$0.10)

BALANCE SHEET HIGHLIGHTS

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

In 000s	12/31/2020	3/31/2021	12/31/2020	3/31/2021
	RMB		USD	
Cash and Cash Equivalents	112,723	95,572	\$17,276	\$14,587
Total Current Assets	120,940	104,407	\$18,535	\$15,936
Total Assets	575,621	554,813	\$88,218	\$84,681
Total Current Liabilities	274,884	277,798	\$42,128	\$42,400
Total Liabilities	327,875	326,921	\$50,249	\$49,898
Mezzanine Equity	48,498	49,427	\$7,433	\$7,544
Shareholders' Equity	199,248	178,465	\$30,536	\$27,239
Total Liabilities, Mezzanine Equity & Shareholders' Equity	575,621	554,813	\$88,218	\$84,681

USD\$14.6 million in cash and cash equivalents as of 3/31/2021

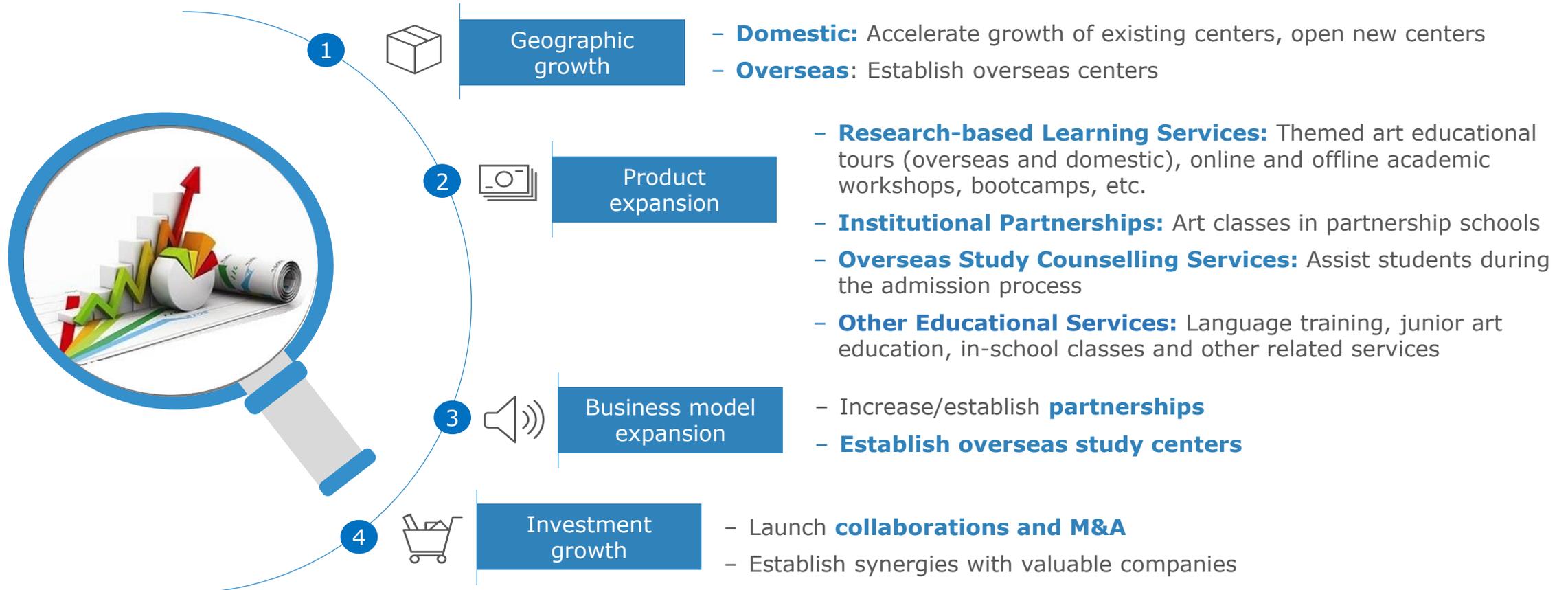


2021 OUTLOOK & GROWTH STRATEGY

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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