

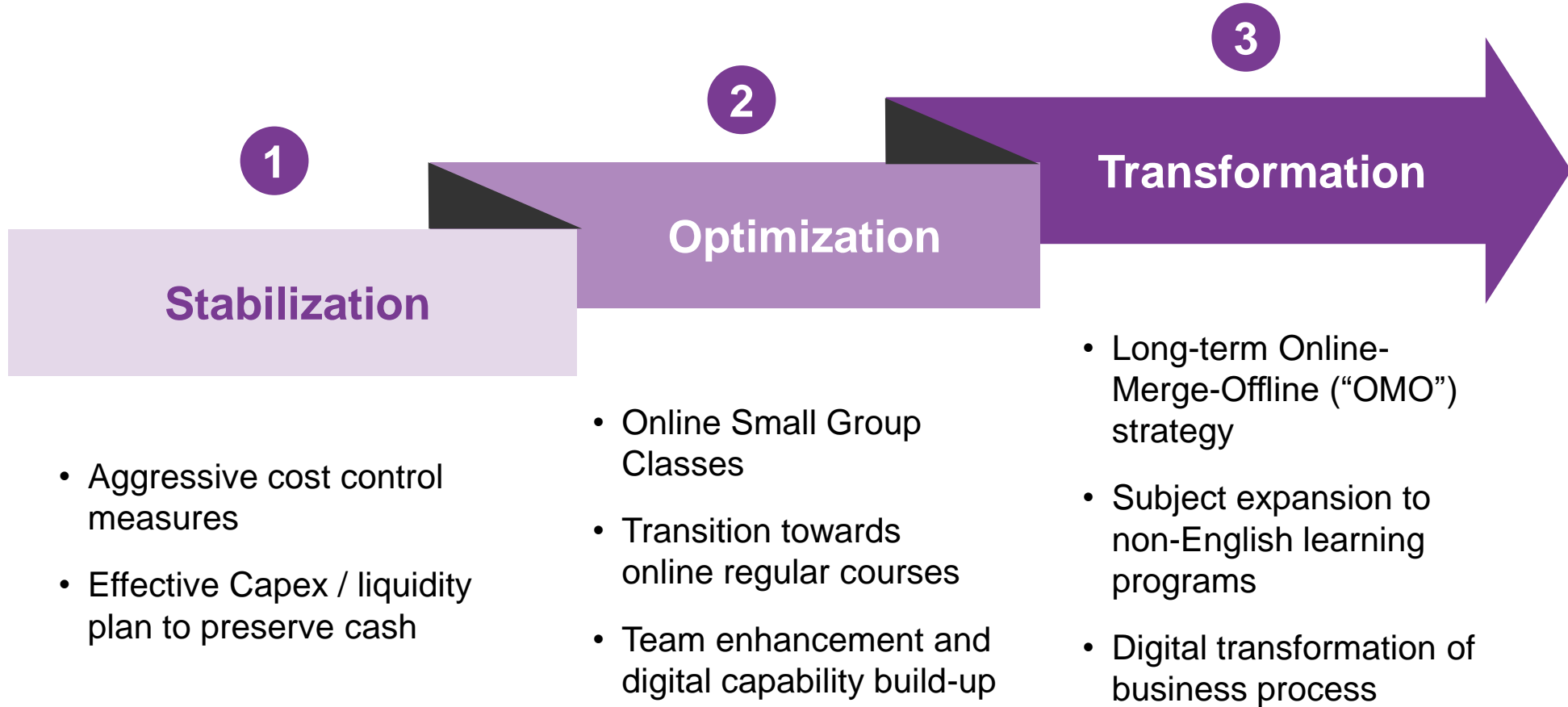
Rise Education Earnings Presentation for Q1 2020

(NASDAQ: REDU)
May 2020

- ◆ Executive summary
- ◆ Business update
 - Stabilization
 - Optimization
 - Transformation
- ◆ Q1 2020 financials

COVID-19 has caused huge disruptions to our business

- ◆ All Rise learning centers have been closed since January 19th to contain the outbreak of COVID-19, and remain closed till now
 - Both offline teaching and marketing have been significantly affected, adversely impacting our ability to generate revenue
- ◆ Immediate actions taken to stabilize the business
 - Aggressive cost reduction measures
 - Stringent cash flow management
- ◆ Key initiatives to optimize and transform the business
 - Built up IT platform to accommodate teaching and training online
 - Launched paid online Small Group Classes in early March
 - Moved regular courses online in late April
 - Launched transformation project to create an OMO platform



◆ Rental

- ✓ Reduced monthly rental by 25% during the period of learning center closure

◆ Personnel costs

- ✓ Reduced personnel cost by 23% from Q4 2019
 - ✓ Support staff furloughs
 - ✓ Management compensation reduction
 - ✓ Reduction in social security contribution per government policies
- ✓ Retained and upgraded frontline teachers and sales staff to ensure higher productivity and efficiency at time of business resumption

◆ Overhead costs

- ✓ Reduced G&A expenses by over 35% from Q4 2019

- ◆ Substantially reduced 2020 capital expenditure from the original budget of RMB140 million to currently less than RMB50 million
 - ✓ Delayed the opening of certain new learning centers to 2021 and eliminated a number of others

- ◆ Renegotiated rental payment terms to delay cash payment to the extent possible

- ◆ **Business growth will be sustained and enhanced**
 - ✓ Continue ramping up existing offline classrooms
 - ✓ OMO model will free up more physical classroom space to accommodate more students per learning center
 - ✓ More virtual online classes will increase classroom capacity and improve efficiency of capital expenditures

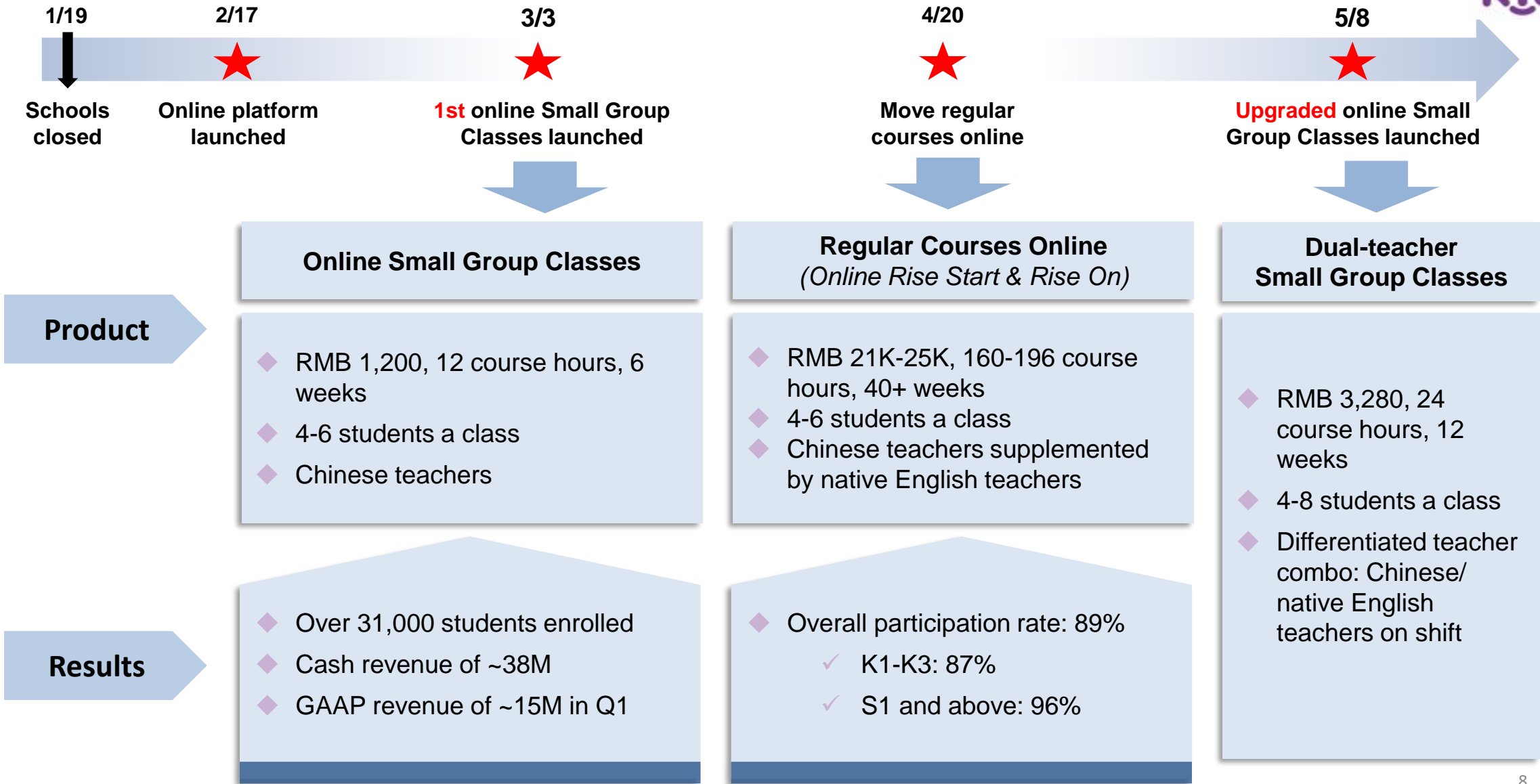
2 Significantly Enhanced Digital Capabilities



- ◆ Transformed Rise+ into a nation-wide open platform for **LEARNING** support in **10 days**
- ◆ Upgraded Rise+ to support online interactive **TEACHING** for all Rise students in less than **20 days**
- ◆ Approximately **127,000 students** in **144 cities** took online small group classes through Rise+ by the end of March
- ◆ Offered 40+ online **TRAINING** sessions, covering **over 20k** teaching staff and sales staff in franchised learning centers in Q1
- ◆ The Rise+ platform has the reliability and stability to support online migration of **regular Rise courses** in late April

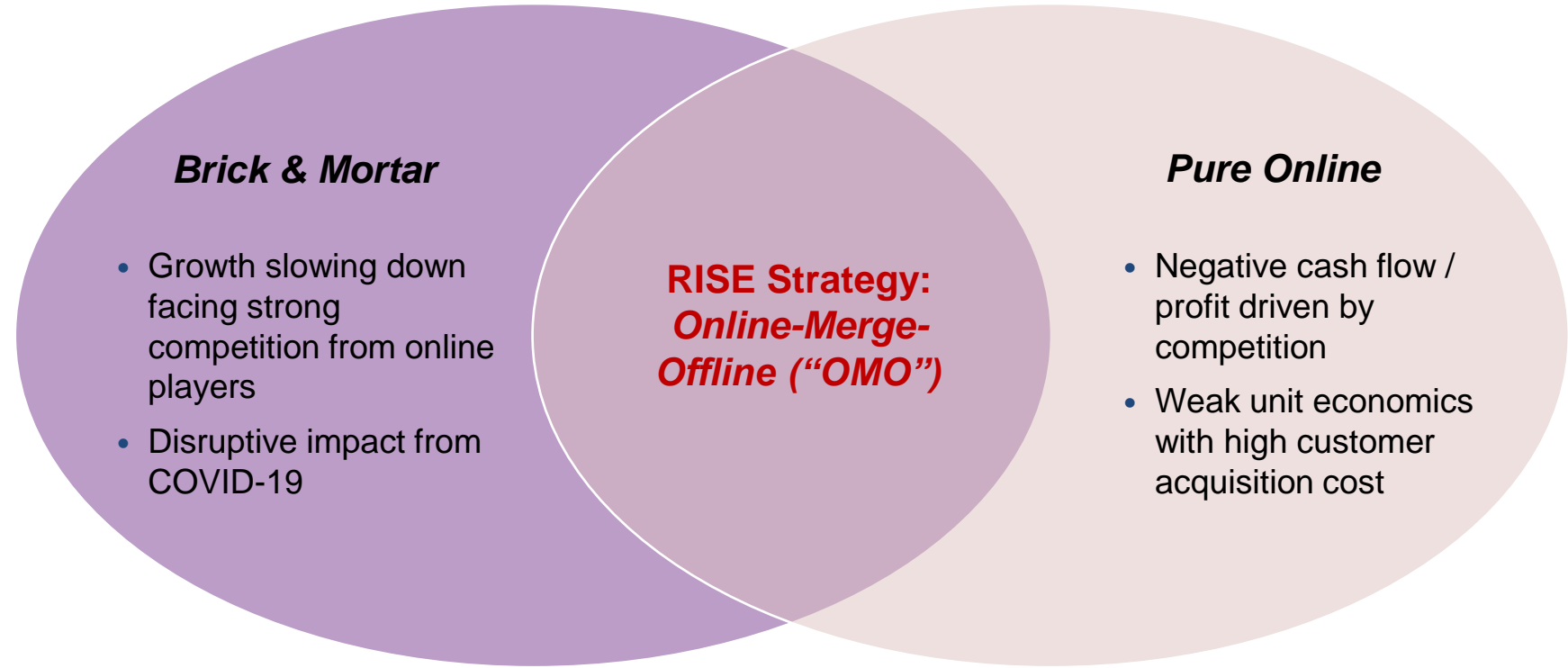


2 Tangible Results Achieved From Online Migration



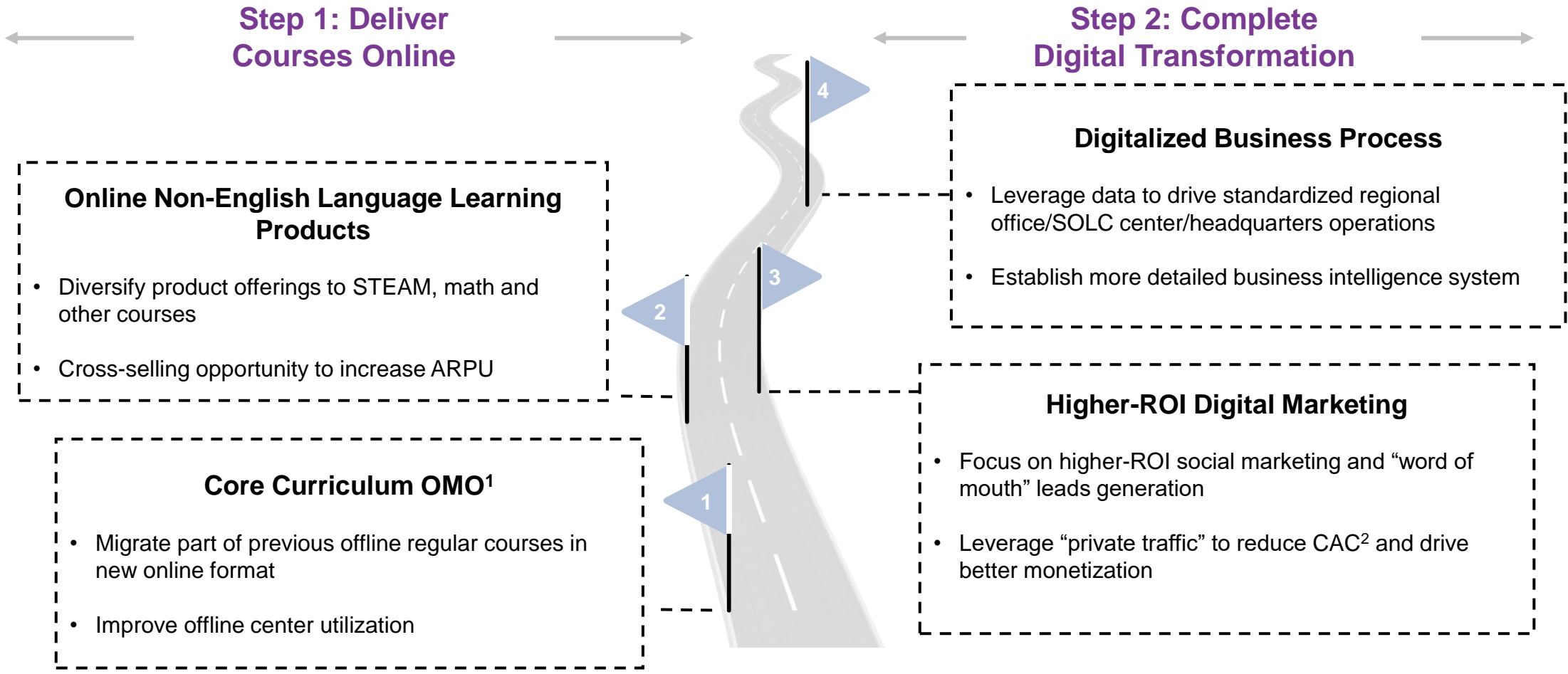
RISE Core Competence

- **Unique curriculum** with proprietary content and interactive learning methods; proven efficacy and strong word of mouth recognition
- **Nationwide student base** with 130k+ students in class; loyal to RISE brand
- **Proprietary platform**, a multifunctional interface with clients for learning, teaching, training, marketing etc.



Focus on leveraging RISE core competency and digital capability to deliver products and services and emerge from COVID-19 better and stronger

3 Two-step Digital Transformation



1. OMO = Online Merge Offline
2. CAC = Customer acquisition cost

3 New Talents Added to Management Team



**Hui Tai,
Chief Operating Officer**



- ◆ 25+ years of experience in Internet, IT and education
- ◆ Certified Lean Six Sigma Master Black Belt
- ◆ Extensive knowledge and experience in enhancing enterprise operational excellence, improving efficiency through digitalization and people development
- ◆ Previously served as Co-CEO of YXT.COM, general manager of Hewlett-Packard China, and held various management positions at Motorola

**Edmund Li
Head of business development**

- ◆ 10+ years of experiences in Internet, strategic consulting, FMCG, IT and education
- ◆ Previously worked at **Dongyin Sports, DiDi, PwC, and Yili**

**Terence Wang
Head of OMO product development**

- ◆ 15 years of experiences in online products, online community / social media management, online games, membership marketing, smart virtual classroom, online education etc.
- ◆ Previously worked at **Tencent and Renren**

**Xiaoxue Zhang
Head of new media marketing**

- ◆ 14+ years of Internet, IT experience and community/content based marketing, maintained online membership platform
- ◆ Previously worked at **Yuxueyuan, Babytree, and Hanwang Techonology**

Overview of Q1 2020 Performance



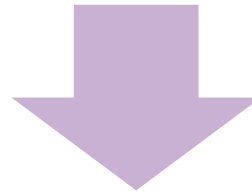
	Q1 2019	Q1 2020
Revenue (RMB '000)	335,026	108,989
Net Income attributable to RISE (RMB '000)	36,370	-103,837
Adjusted EBITDA (RMB '000)	80,499	-108,006
New students enrolled for regular courses (Rise Start+Rise On)	7,406	1,507
# of students in class for regular courses (Rise Start+Rise On)	51,684	52,585
➤ # of students enrolled for online Small Group Classes ¹		31,882
# of self-owned learning centers (SOLCs)	78	89
# of franchised learning centers	317	386

1.92.6% of the students enrolled for online Small Group Classes are Rise existing students

- ◆ On April 20, Rise Start & Rise On courses transitioned online
 - Close to 90% of our Rise Start & Rise On students resumed their studies online
- ◆ Online Small Group Classes (both original and upgraded) will contribute to revenues in Q2
- ◆ Revenues from our franchised business are expected to increase in Q2 since some of our franchised learning centers started reopening from mid-May
- ◆ Meanwhile we will continue to control costs and expenses
- ◆ As of March 31, 2020, we had a total of RMB925.1 million (US\$130.6 million) in cash, cash equivalents, and restricted cash, sufficient to navigate a period of uncertainty

Taking into account the above, and excluding the possibility that our own learning centers may open in the second half of Q2, we expect our revenues in Q2 to be in the range of RMB 135 million-RMB 145 million

Transition Into A Digitalized, Cross-disciplinary and Skill-based OMO Educational Platform



More details to come next ER

