



Financial Results Presentation

Three months to December 31, 2019

Fiscal year to December 31, 2019

Three months to March 31, 2020

May 29, 2020

Disclaimer

This presentation contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates” and similar statements. Among other things, the outlook for [the second quarter of fiscal year 2020 and full fiscal year 2020], quotations from management in this announcement, as well as the Company’s strategic and operational plans (in particular, the impact of the COVID-19 outbreak on our businesses, the solutions we adopt to address the outbreak, and the impact on our revenue guidance; the anticipated benefits of strategic growth initiatives; as well as balancing growth and profitability), the benefits of the Company’s 2019 investments and recent acquisitions, as well as our four key growth strategies, contain forward-looking statements.

Meten EdtechX Education Group Ltd (the “Company” or “Meten EdtechX”) may also make written or oral forward-looking statements in its reports filed or furnished to the U.S. Securities and Exchange Commission, in its annual reports to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Company’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: the impact of the COVID-19 outbreak, our ability to attract students without a significant decrease in course fees; our ability to continue to hire, train and retain qualified teachers; our ability to maintain and enhance our “Meten” brand; our ability to effectively and efficiently manage the expansion of our school network and successfully execute our growth strategy; the outcome of ongoing, or any future, litigation or arbitration, including those relating to copyright and other intellectual property rights; competition in the English language training sector in China; changes in our revenues and certain cost or expense items as a percentage of our revenues; the expected growth of the Chinese English language training and private education market; Chinese governmental policies relating to private educational services and providers of such services; health epidemics and other outbreaks in China; and general economic conditions in China.

Further information regarding these and other risks is included in our annual report on Form 20-F and other documents filed with the Securities and Exchange Commission. The Company does not undertake any obligation to update any forward-looking statement, except as required under applicable law. All information provided in this press release and in the attachments is as of the date of this press release, and the Company undertakes no duty to update such information, except as required under applicable law.

Statement Regarding Unaudited Financial Information

The unaudited financial information set forth in this press release is preliminary and subject to adjustments. Adjustments to the financial statements may be identified when audit work is performed for the year-end audit, which could result in significant differences from this preliminary unaudited financial information.

Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures which are different from financial measures calculated in accordance with U.S. GAAP. Such non-GAAP financial measures should be considered in addition to, and not as a substitute for or superior to, the financial measures calculated in accordance with U.S. GAAP. In addition, the definition of adjusted EBITDA and adjusted net income/loss in this presentation may be different from the definition of such term used by other companies therefore, comparability may be limited.

Exchange Rate

The Company’s business is primarily conducted in China and all of the revenues are denominated in Renminbi (“RMB”). This announcement contains translations of certain RMB amounts into U.S. dollars (“USD” or “US\$”) at specified rates solely for the convenience of the readers. Unless otherwise noted, all translations from RMB to USD for the fourth quarter of 2019 and full year 2019 are made at the rate of RMB6.9618 to US\$1.00, and all translations from RMB to USD for the first quarter of 2020 are made at the rate of RMB7.0808 to US\$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on December 31, 2019 and March 31, 2020, respectively. No representation is made that the RMB amounts could have been, or could be, converted, realized or settled into US\$ at that rate on December 31, 2019 or March 31, 2020, as the case may be, or at any other rate.

Today's speakers



Jason Zhao
Chairman



Alan Peng
CEO



Ricky Ng
CFO



Kevin Zhou
CEO of Lishuo

Meten EdtechX: key facts



A leading English language training (“ELT”) service provider in China, delivering English language and future skills training for Chinese students and professionals

1

Leading ELT provider with an established track record

#1 omnichannel adult ELT provider in China*

14 years of operation

124k students enrolled in 2019

Strong brand recognition

High customer satisfaction / referral rate

2

Superior service offering based on high-quality teaching and cutting-edge technology

High-calibre teaching staff

Dedicated content development team

Sophisticated curriculum

High-tech centralised teaching and management systems

3

Efficient omnichannel business model and clear growth strategy

145 learning centers

36 cities reached

1.2m registered online users

High operating efficiency and speed of expansion

Clear mid-term strategy focused on further development of online offering, expansion of offline network, and enhancement and diversification of service offering

Established M&A track record

4

Experienced leadership team with high corporate governance standards

Experienced and innovative management team

Valuable support of independent directors with extensive international track record

Commitment to highest standards of corporate governance

Non-state-owned company

Majority of members independent directors, including EdtechX Holdings Acquisition Corp. founders Benjamin Vedrenne-Cloquet and Charles McIntyre

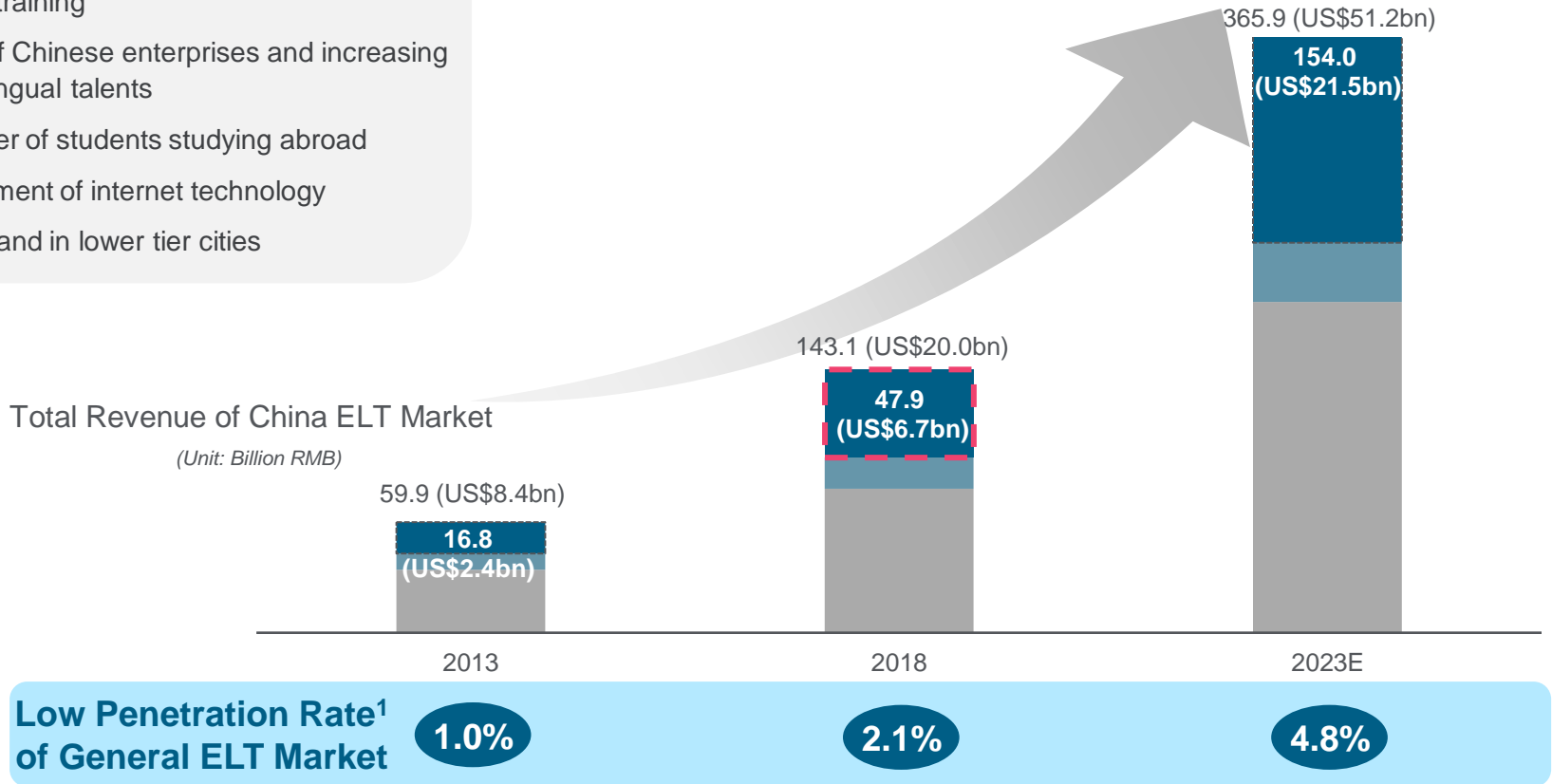
**by 2018 revenue (competitors only include those who have both online and offline operations); Frost & Sullivan Report
All operational data as of March 31, 2020 unless stated otherwise*

Attractive market with high growth potential

ELT market in China forecast to grow at CAGR of 20.7% from 2018 to 2023

Key growth drivers

- Increasing disposable income and expenditure on education and training
- Globalization of Chinese enterprises and increasing demand for bilingual talents
- Growing number of students studying abroad
- Rapid development of internet technology
- Untapped demand in lower tier cities



Source: Frost & Sullivan Report

1. Defined as the ratio of the total enrollment of general ELT services divided by the total urban population aged from three to 49 in China; 2. Tier 1 cities: Beijing, Shanghai, Guangzhou and Shenzhen; Tier 2 cities: provincial capitals, regional centers or economically developed cities in China; Tier 3/4 cities: small- to mid-sized cities in China that are strategically located or have relatively developed or large local economy

USD:RMB= 6.9618 as of March 31, 2020

Recent results: key takeaways

Significant investment in 2019 to reinforce platform for future growth

- Curriculum upgrade - “Explore” - developed in collaboration with National Geographic Learning
- Integration of ABC Junior
- Acceptance of WEBi students

Resilient performance in Q1 2020 supported by accelerated growth in online ELT

- Offline students offered online lessons
- Investing to leverage rapid growth in demand for online tuition
- Lower operating expenses to mitigate negative effects of COVID-19
- With COVID-19 largely under control across China, 83 learning centers (contributing c.60% of gross billings) resumed operations (end of May)
- By the end of June 2020, 132 learning centers (91%) to be fully operational (classes resumed). Some centers in the Hubei and North Eastern China regions are still confirming plans to reopen

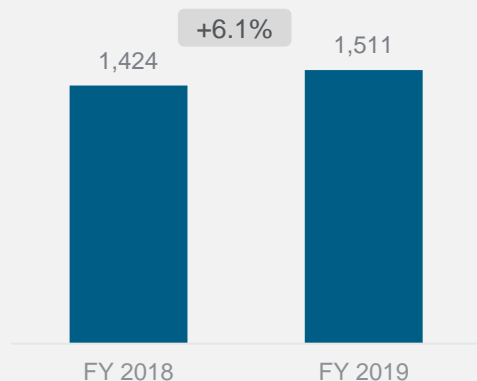
Successful completion of merger between Meten and EdtechX

- Transaction completed on March 30, 2020
- Private placement concluded to raise additional US\$32 million (including Azimut and ITG)
- Board strengthened through appointment of independent directors with extensive sector experience
- Transaction to accelerate expansion of ELT offering and fast-growing digital platform, and fund potential acquisitions in China and internationally

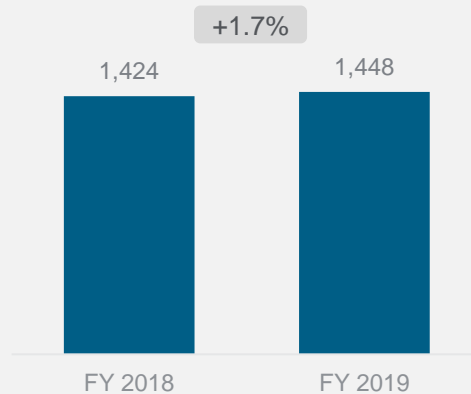


Financial highlights

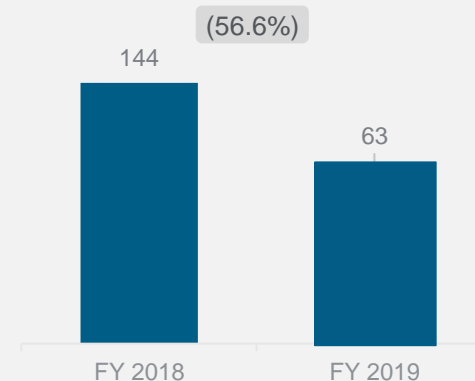
Gross billings



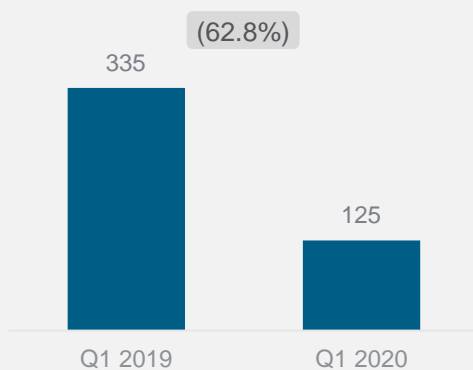
Revenue



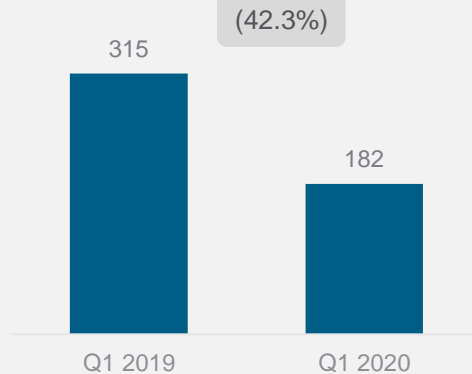
Normalized EBITDA



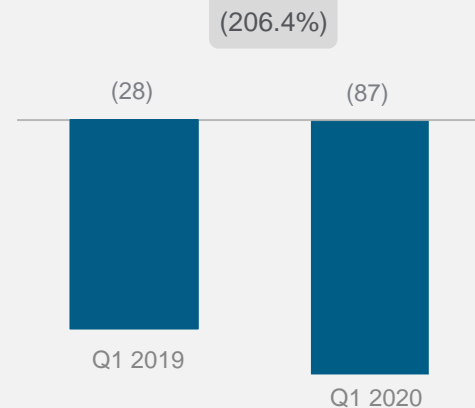
Gross billings



Revenue



Adjusted EBITDA



Likeshuo performance: strong growth in online ELT

Online business turns a profit in Q1 2020 for the first time

	Q4 2019		FY 2019		Q1 2020	
	RMB million	YoY (%)	RMB million	YoY (%)	RMB million	YoY (%)
Gross Billings	87.8	27.6%	303.5	19.7%	80.2 ⁽¹⁾	38.2%
Revenue	71.6	20.6%	260.3	22.6%	77.0	48.6%
Operational Margin	33.2	36.8%	104.6	7.7%	31.6	101.5%
Net income/(loss)	(8.6)	n.a.	(34.4)	n.a.	5.7	n.a.

Continued development of the Likeshuo online learning platform throughout 2019

- 1.2 million registered users at year-end
- 227,000 students enrolled at year-end

Accelerated growth in Q1 2020 with offline students switching to online tuition

Response to COVID-19

Impact on Q1 2020

- Learning centers closed from early February 2020 as a result of COVID-19
- Offline students offered online lessons
- Continuous service but lower course hours and student enrolment in Q1 2020
- Growth in online ELT partially offset lower gross billings and student numbers for offline ELT
- Proactive action taken to reduce operating expenses
- Relief efforts provided to support affected communities and customers

Learning center re-opening post-COVID-19

- Gradual re-opening of learning centers commenced in April 2020, in line with regulatory guidance
- As of May 29, 2020, a total of 83 learning centers have resumed operations
- By the end of June 2020, 132 learning centers (91%) to be fully operational with classes resumed
- Disease prevention and control task established, led by CEO
- Special measures introduced to ensure enhanced hygiene, social distancing and student health monitoring
- Company to capitalise on the seasonally high demand for English lessons during the summer months

Operational achievements

Leveraging synergies between online and offline business segments

Enhanced service range and quality

Strong growth in online and junior ELT

Growing geographical reach and market share

1

Curriculum upgrade

New “Explore Curriculum”, developed through a strategic collaboration with the renowned National Geographic Learning, completed across all learning centers by May 2019.

2

Accelerated recruitment

1,000 new online teachers during Q1 2020, up 130% vs 430 in Q4 2019. 160 additional senior offline sales team members joined the Company’s online sales team.

3

Integration of ABC Junior

Newly-acquired learning centers fully integrated within the Company’s operations in 2019, following acquisition in 2018.

14%

offline customers enrolled into online classes in 2019

4

Acceptance of WEBi students

WEBi students accepted free of charge, creating a one-off cost but capturing a greater share of ELT market.

5

Enhanced training

Additional training for foreign teachers. Offline marketing and sales teams trained to facilitate customer migration to online lessons and seamless customer service.

6

Launch of Japanese tuition

Online Japanese tuition launched in Q1 2020, with nearly 300 course hours delivered during March 2020 to 60 customers (gross billings of RMB 500,000)

RMB3,520

customer acquisition cost in 2019

13

new centers opened in 2019

Successful completion of merger transaction



Merger between Meten International Education Group (“Meten”) and EdtechX Holdings Acquisition Corp successfully completed on March 30, 2020 to create Meten EdtechX, a player strategically positioned to capitalize on consolidation and digital growth opportunities in the Chinese education sector

1 New capital raised

Additional capital in the amount of US\$32 million raised through a private placement from institutional investors including including Azimut, a leading Italian asset manager, and Xiamen ITG Holding Group, a Fortune Global 500 Company engaged in range of industries across China.

2 Accelerated growth

Transaction expected to accelerate the expansion of ELT offering and digital platform, as well as fund potential synergistic and accretive acquisitions in China and internationally.

3 Enhanced board

Valuable support of independent directors with extensive international track record in ed-tech, M&A and digital transition gained.

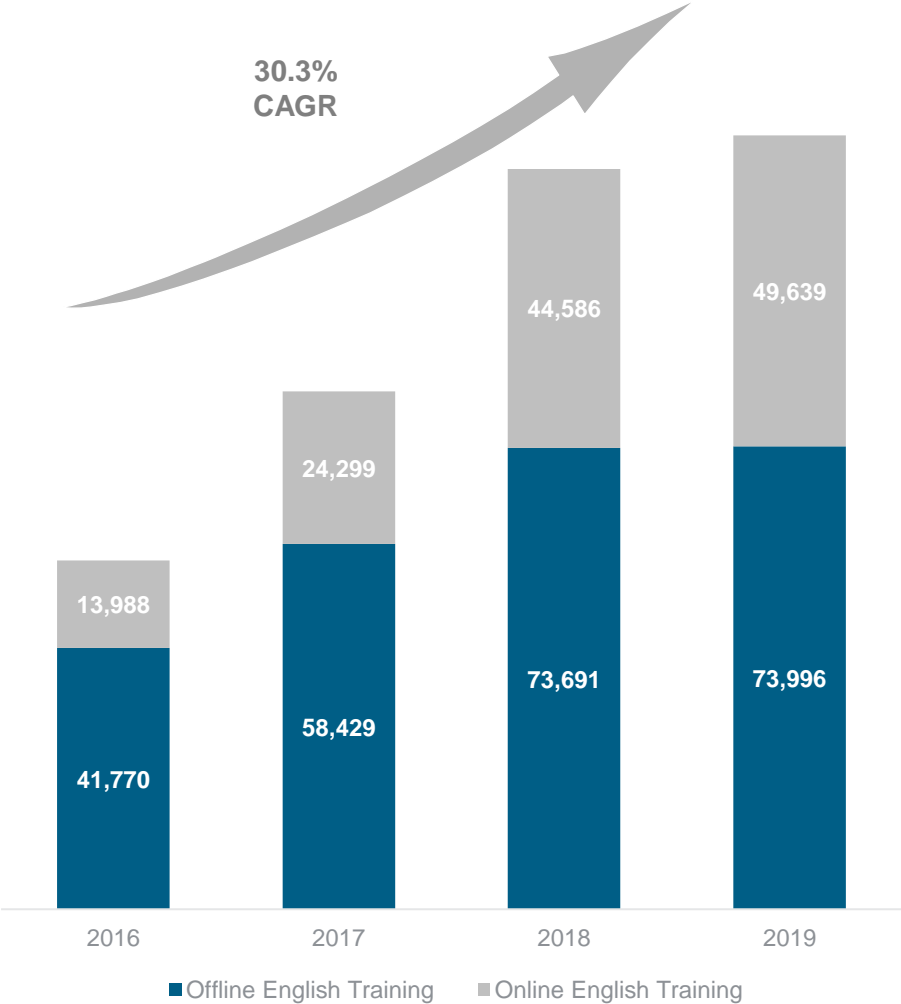
New ownership structure: **75%** founding directors and management team, **21%** institutional investors, **4%** EdtechX shareholders.



Financial performance

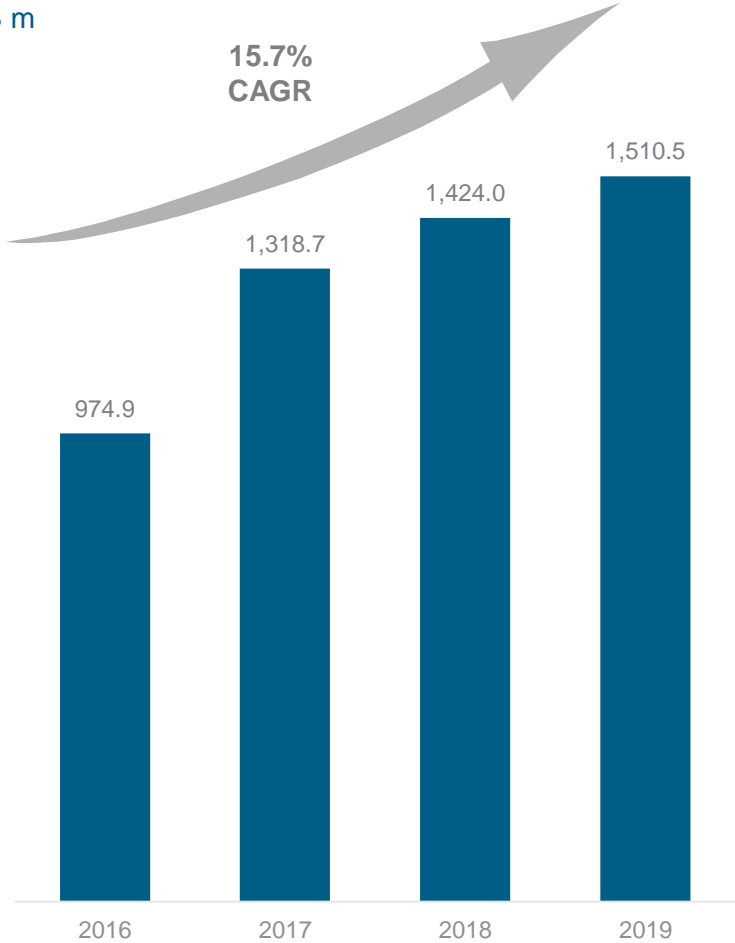
Steady growth in student enrollment and gross billings

Student enrollment



Gross billings

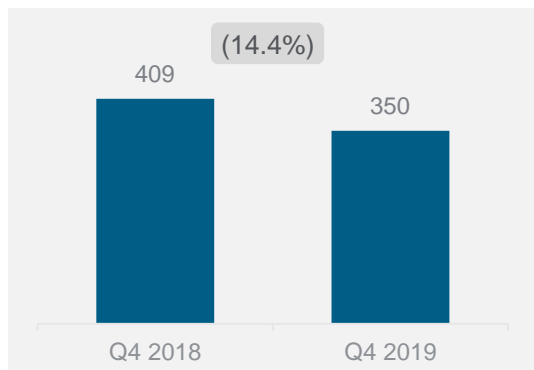
RMB m



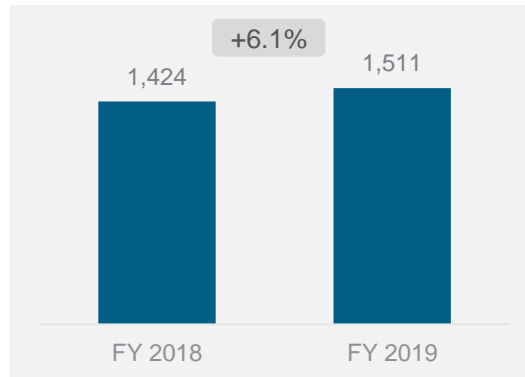
1. We started to offer junior English training in January 2018 and acquired ABC Education Group in June 2018. The number of student enrollments for the year ended December 31, 2018 also included the students enrolled with ABC Education Group; 2. Student enrollment in our online English training represents the total number of student enrollments on our online "Likeshuo" platform. USD:RMB= 6.9618 as of March 31, 2020

Student enrollment and gross billings: recent performance

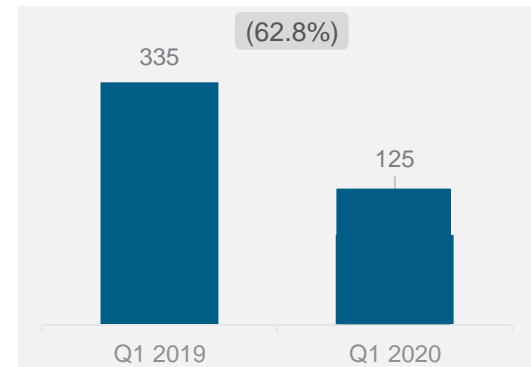
Gross Billings (RMB'000)
Q4 2019 vs Q4 2018



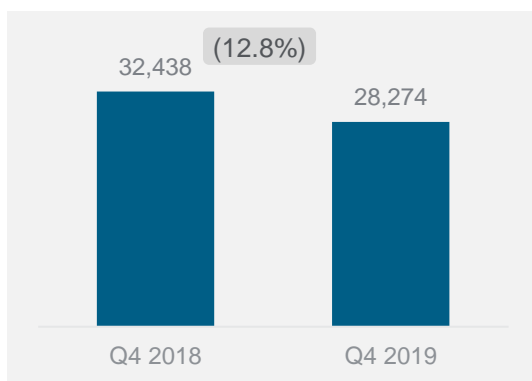
Gross Billings (RMB'000)
2019 vs 2018



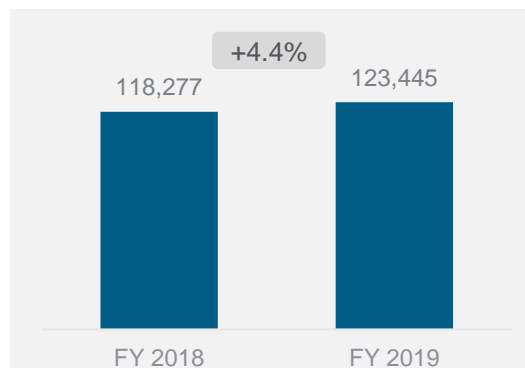
Gross Billings (RMB'000)
Q1 2020 vs Q1 2019



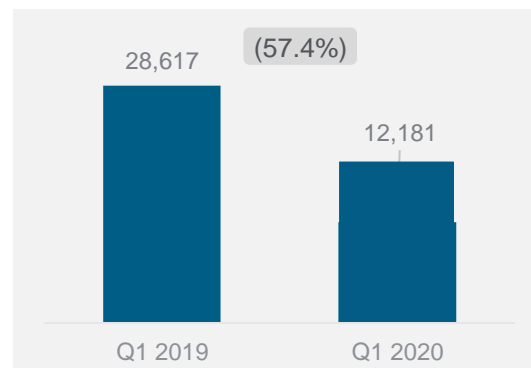
Student Enrollments
Q4 2019 vs Q4 2018



Student Enrollments
2019 vs 2018

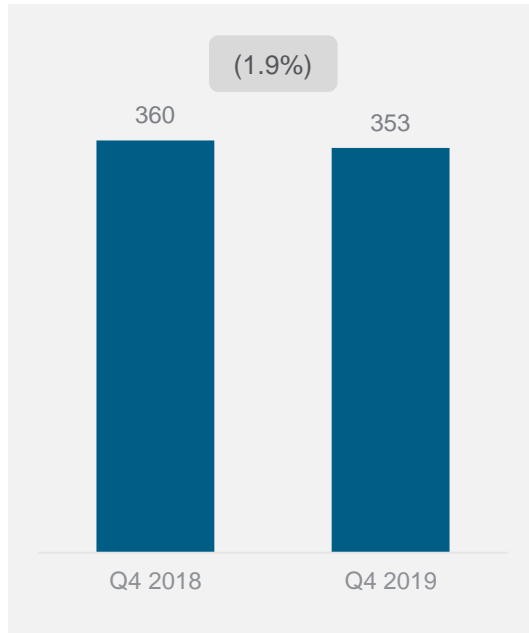


Student Enrollments
Q1 2020 vs Q1 2019

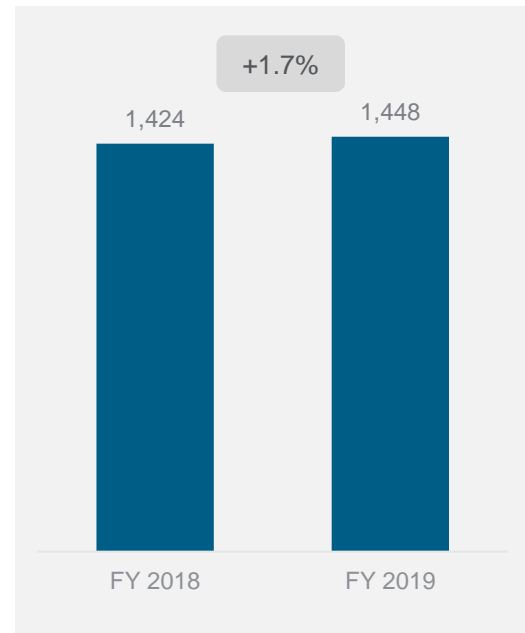


Revenue

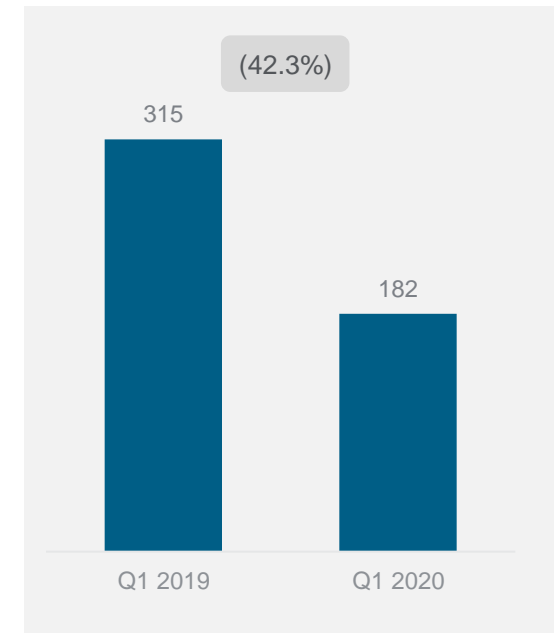
Revenue (RMB'000)
Q4 2019 vs Q4 2018



Revenue (RMB'000)
2019 vs 2018



Revenue (RMB'000)
Q1 2020 vs Q1 2019

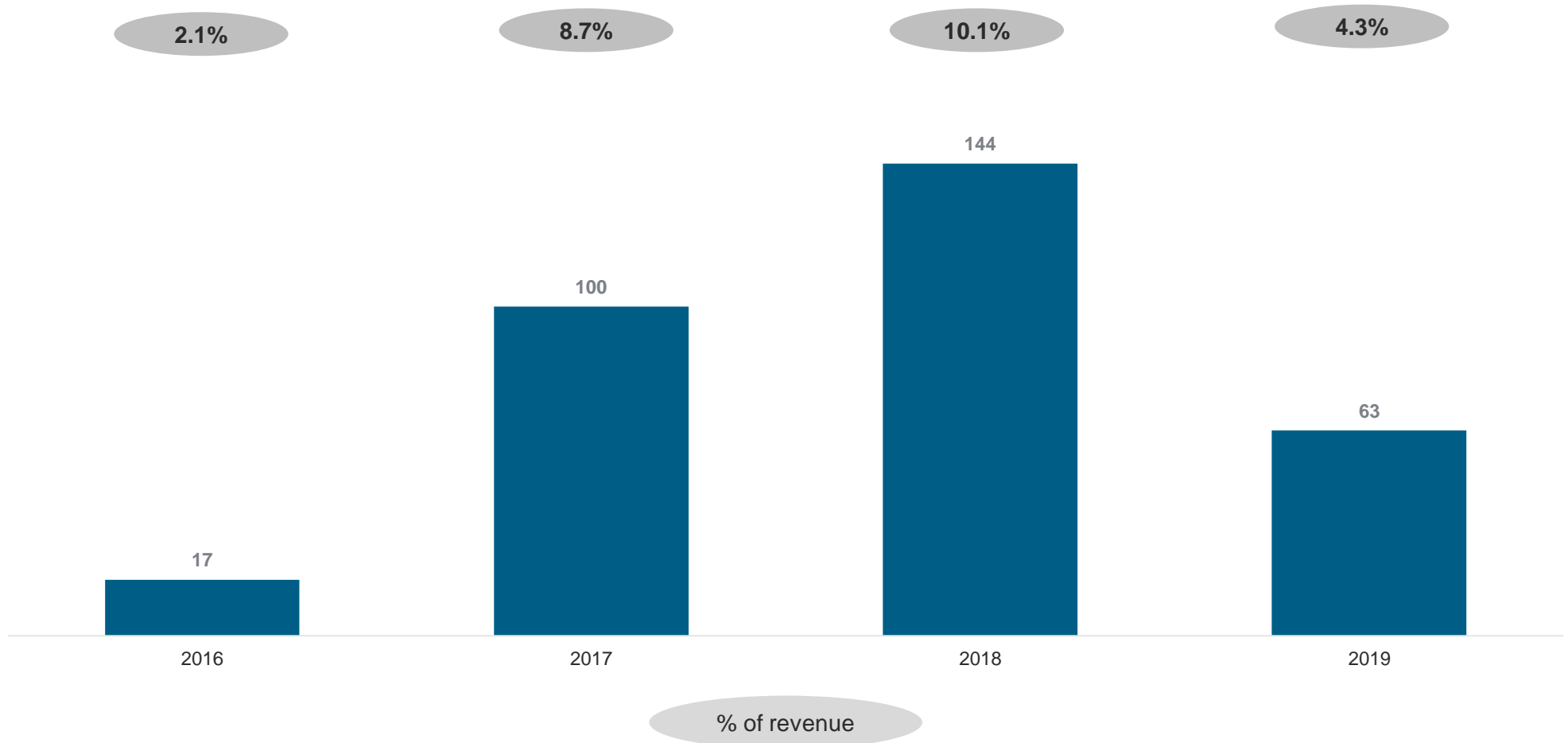


- Strong growth across all services in 2019, especially in the online business and junior ELT
- Learning centers closed for majority of Q1 2020 due to COVID-19
- Significant take up of online ELT among offline students

Profitability analysis: profit margin

Normalized EBITDA¹

RMB m



1. Normalized EBITDA = Net income/(loss) - Net interest income + Income tax expenses + Depreciation and amortization + Share-based compensation expenses + One-off offering expenses + Other one-off expense



Strategic priorities

Strategic priorities

1

Maintain sustainable growth of online business



- ✓ Offline-to-online cross-selling; leverage offline network resources
- ✓ Invest in system upgrades and product developments

2

Further expand offline network coverage



- ✓ Expand offline network nationwide; including focus on tier 2-4 cities
- ✓ Reinforce position as leading offline ELT brand

3

Enhance and diversify education service offering



- ✓ Focus on general adult ELT business
- ✓ Diversify service offering by further expanding junior ELT business
- ✓ Develop Junior K12 Quality Education program

4

Selectively pursue strategic acquisitions and partnerships



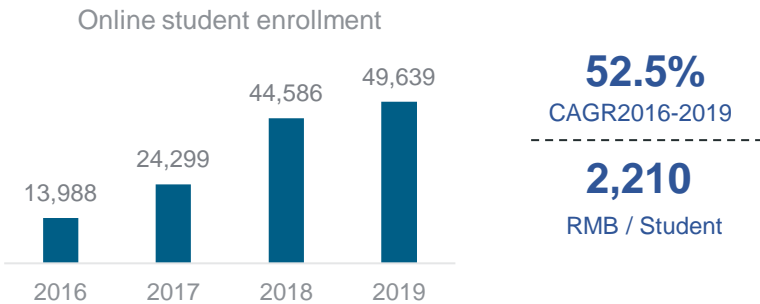
- ✓ Further expansion into junior ELT market
- ✓ Collaborate with non-ELT services providers and new technology companies

Strategic priorities

1

Maintain sustainable growth of online business

Offline-to-online cross-selling capabilities



- Leverage leading omnichannel business model to facilitate growing penetration of Lishuo services

System upgrades and product developments

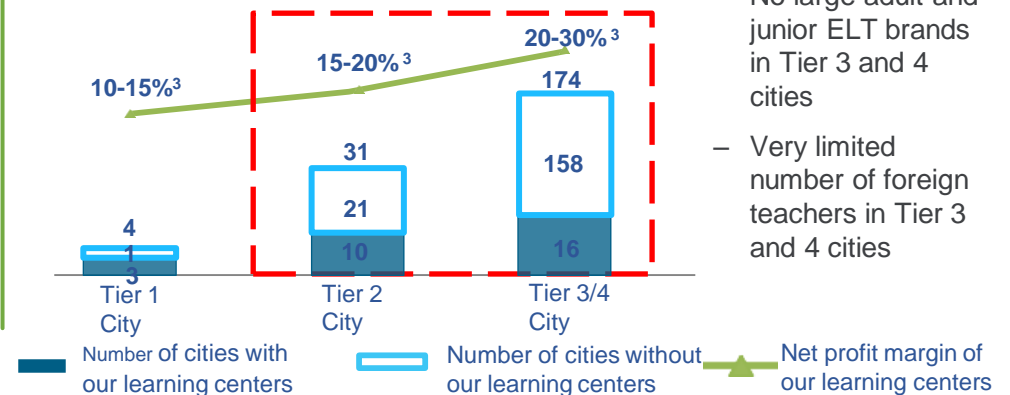
- Continue to develop cutting-edge technologies to enhance service offering and competitiveness
- Optimize PC and mobile interfaces to strengthen versatility of offering
- Utilize AI, Big Data, Dual Teacher and Real Time technologies

2

Further expand offline network coverage

- Resume growth in offline network from 2021 with an aim to reach 175 learning centers by end-2022
- Expand into new satellite areas in tier 1 cities with low rental costs, including provincial capitals or regional economic centers
- Increase focus on opening Junior ELT centers

Exploit untapped potential in more than 200 non-tier-1 cities



- No large adult and junior ELT brands in Tier 3 and 4 cities
- Very limited number of foreign teachers in Tier 3 and 4 cities

Strategic priorities



3

Enhance and diversify education service offering

Build a high-end brand with the Company's own junior brand and position the acquired ABC brand as a mid-end brand

- Use existing Meten network to expand to more than 100 junior centers
- Facilitate cross-selling between adult and junior courses
- Continue integration of the newly-restructured ABC business into Meten's system
- Facilitate cross-selling of 'Likeshuo' and overseas training products to ABC customers

Build on newly-launched K12 offering

- Build on existing Junior English Training networks to penetrate high-end market
- Utilize existing ABC networks to further penetrate mid-end market

Grow Japanese language tuition

- Leverage Jtalk subsidiary to further expand Japanese language offering

4

Selectively pursue strategic acquisitions and partnerships

Only strategic acquisitions and partnerships fulfilling the following criteria will be pursued:

- Substantial regional presence and brand recognition
- Strong content development capabilities
- Shared values and goals
- Utilize advanced technologies in connection with their business operations

Greater focus on offline junior English training and general adult English training

- Junior English and K12 Training and Quality Education
 - Leading Regional Companies
 - Gross Billing RMB50-200m (US\$7-28m)
 - Two Potential Provincial Leading Targets
- General Adult English Training
 - 3-10 regional brands
 - Attractive valuation



Outlook

Full commitment to offline network expansion

- Temporary learning center closures in Q1 2020 due to COVID-19
 - As of May 29, 2020, a total of 83 learning centers have resumed operations (generating approximately 60% of gross billings)
 - By the end of June 2020, 132 learning centers (91%) will be fully operational (i.e. classes resumed)
 - Learning centers located in the Hubei province and North Eastern China with no schedule for re-opening
- Growth in offline network to resume in 2021

Outlook



- Following a year of significant investment in 2019 to build Meten EdtechX's platform for future growth, the successful completion of the merger transaction and a resilient performance in Q1 2020, Meten EdtechX remains committed to its mid-term growth strategy
- Management believes that the events of 2020 will accelerate the trend of growing acceptance and take up of online ELT
- Meten EdtechX is well placed to benefit from this trend, which can effectively be combined with face-to-face lessons to deliver an optimal learning experience
- The ability to re-open the majority of learning centers by end of June will allow Meten EdtechX to leverage the seasonally strong demand for English language tuition during the summer months; accelerated growth in gross billings is expected from July 2020
- The Company expects less intense competition and a stronger market position as a result of the financial difficulties faced by some of its small and medium sized competitors due to COVID-19
- In response to COVID-19, the Company has significantly reduced its operating costs (from RMB120 million per month to RMB90 million) to preserve cash flow generation and offset the negative impact of the pandemic on gross billings