



Imagination is more important than knowledge.
(想象力比知识更重要)

That's one small step for a man, one giant leap for mankind.
(这是个人的一小步，也是人类的一大步。)

My ideal is for mankind to lead a better life and play their role.
(我的理想是，人类过上更幸福的生活，发挥他们的作用。)

Rise Education – Investor Presentation

May 2020

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In evaluating our business, we use certain non-GAAP measures as supplemental measures to review and assess our operating performance. These non-GAAP financial measures have limitations as analytical tools, and when assessing our operating performances, investors should not consider them in isolation, or as a substitute for the financial results presented in accordance with the accounting principles generally accepted in the United States. In addition, calculations of this non-GAAP financial information may be different from calculations used by other companies, and therefore comparability may be limited. The reconciliation of those measures to the most comparable GAAP measures is available at the Company’s website <http://ir.risecenter.com/>.

This presentation speaks as of March 31, 2020. Neither the delivery of this presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the business, operations or affairs of the Company since that date.

*RISE is a Leading
Nationwide Provider
of Premium After-school
English Language Training
for Children Aged 3-18*

Agenda

1 COMPANY OVERVIEW

2 BUSINESS HIGHLIGHTS

3 FINANCIAL HIGHLIGHTS

4 GROWTH STRATEGIES





Section 1

Company Overview

RISE At a Glance

No. 3 In Junior ELT ¹

No. 2 In Premium Segment ¹

Learning Centers and Students in Class

89 Self-owned Learning Centers + 383 Franchised Learning Centers

Students in class² for regular courses
 2014: 21,135 → 2019: 54,383
 20.8% CAGR

Revenues

2014 → 2019
 RMB 407MM → RMB 1,529 MM
 30% CAGR
 (87% from Educational Programs)³

Adjusted EBITDA

2014 → 2019
 RMB 15MM → RMB 349MM
 ~23x
 3.6% Margin → 22.8% Margin
 ~6x Expansion

Source: Frost & Sullivan

Notes

1. Ranking based on 2016 gross billings
2. "Students in class" refers to the students who were taking Rise courses, Rise Start and Rise On, as of a given date.
3. Revenues generated from The Edge have been reclassified to educational programs revenue from others revenue since Q1 2019.

Our Journey

2007

Founding

- Pioneered English subject-based learning to recreate US school experience
- Started with franchise model and gradually migrated to self-owned model in Tier-1 cities, predominately in Beijing

2013

New Management Team

- Bain Capital buy-out
- Focus on profitability and improving box economics
- Entry and/or further expansion into Shanghai, Shenzhen and Guangzhou

2014 - 2016

Enrichment

- New products launched, eg. online products
- Expansion into older age group, eg. RISE UP
- Established strong brand and is recognized as an industry leader

2017

10-year Anniversary

- Listed on Nasdaq
- National leader in junior ELT
- Acquisition of The Edge

2018

- SSAT's exclusive on-site institute in China
- Follow-on public offering of 8,050,000 ADSs by selling shareholders
- Share repurchase program approved for a total consideration of up to \$30.0 million.

2019

- Strategic investment in New York City Kids
- Consolidation of Shijiazhuang operations into self-owned business
- STEAM course launched
- In-house developed Rise+ online platform launched

2020

- Project Pioneer developed to drive student acquisition/retention
- Online small group classes launched and delivered on Rise+
- Regular courses transitioned online



Section 2

Business Highlights

Key Strengths

- 1 Leading Position in Attractive and Rapidly Growing Market
- 2 Innovative and Unique Teaching Philosophy and Methodologies
- 3 Comprehensive and Customized Product Offerings
- 4 Highly Profitable and Optimized Self-Owned Learning Center Model
- 5 Franchise Model Enables Greater Scalability
- 6 Premium and Trusted Brand
- 7 Experienced Management Team with Proven Track Record



1 Attractive and Rapidly Growing Junior ELT¹ Market

Attractive and supportive factors

Rising wealth and disposable income

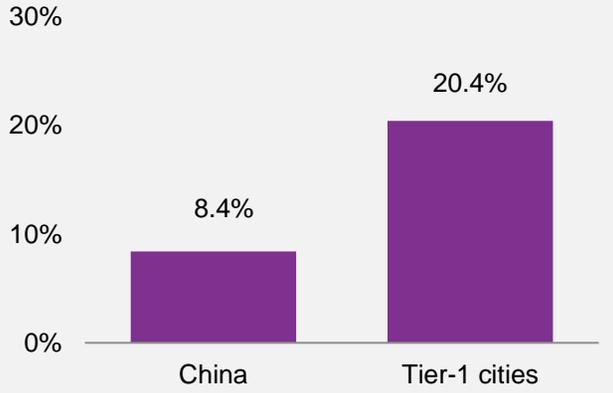
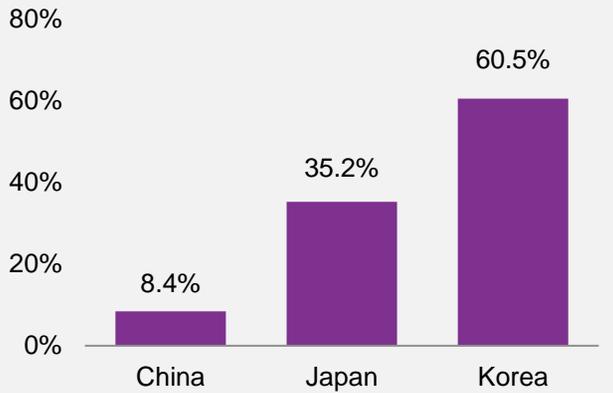
Amended Law on the Promotion of Private Education

Two-child policy

Increasing importance of English

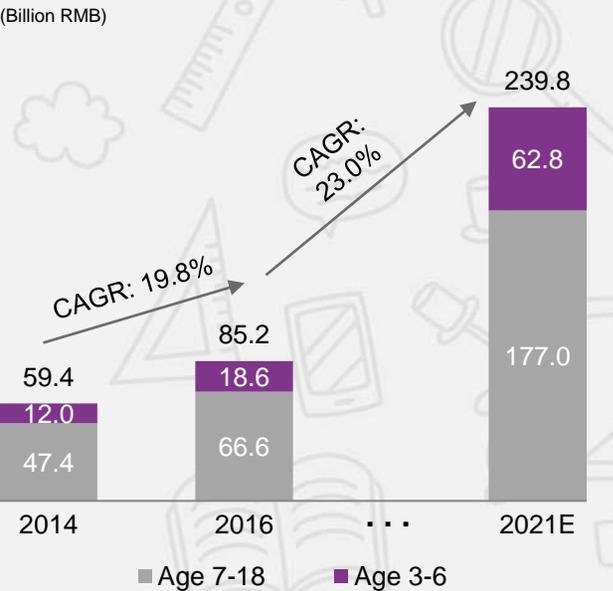
Kids starting language training earlier

Low penetration²



... driving growth in China's Junior ELT Market³

CAGR	age 3-6	age 7-18
2014-2016	24.5%	18.5%
2016-2021	27.6%	21.6%



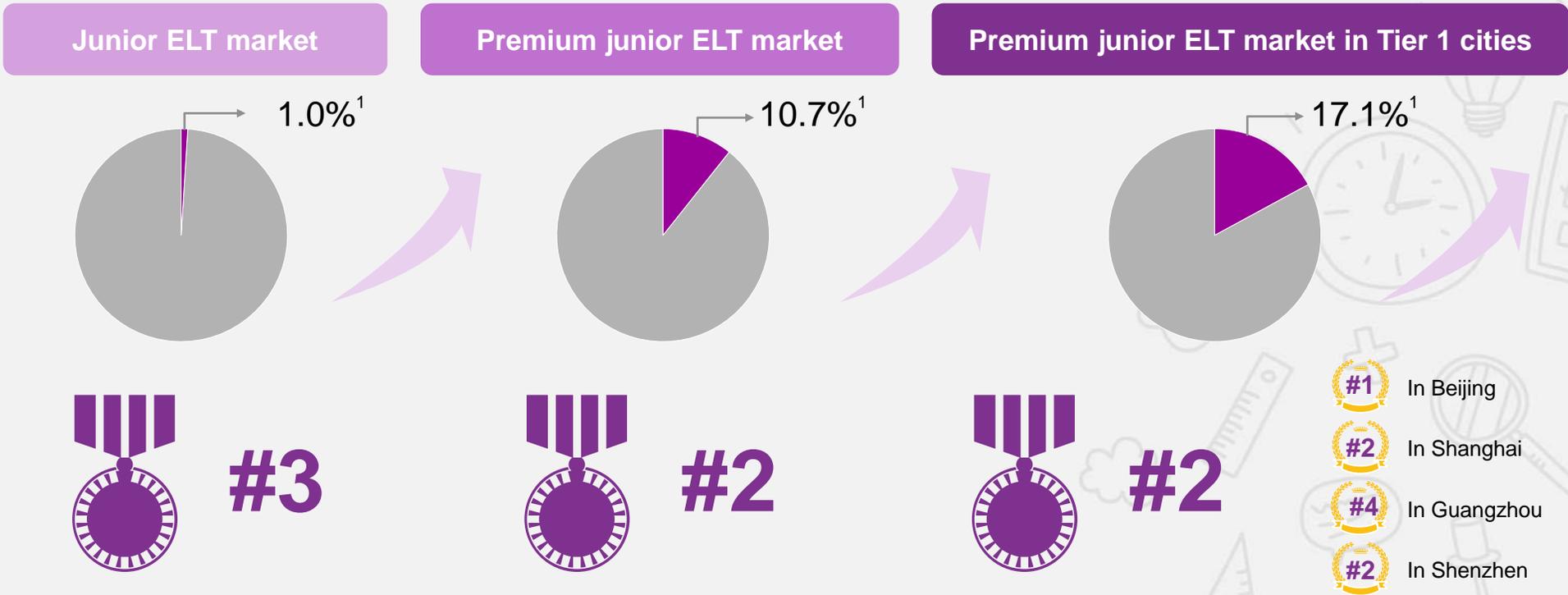
Source: Frost & Sullivan

Notes: 1 Junior ELT = Junior English Language Training, i.e. after-school English teaching and tutoring services provided by training institutions to students aged three to 18; the market size includes online and offline junior ELT Market.

2 Penetration rate is calculated as the ratio of junior ELT enrollment to enrollments in school in 2016

3 In terms of gross billing.

1 Leading Position in Attractive and Rapidly Growing Market



What We Have Accomplished...

Strong brand and cost-effective marketing channels lowers overall costs

Unique teaching philosophy focusing on both the English language as well as subject matter knowledge to cater to unique demands

Strategically focused on fastest growing age-group (3-6 year olds)

Technology and proprietary content lowers reliance on teachers for content delivery

2 Unique and Innovative Teaching Philosophy



TRADITIONAL ELT



Language of Instruction

- English

- Chinese and English



Teaching Philosophy

- Subject-based and immersive

- Text-based instruction



Methodologies

- Interactive, cooperative and project-based

- Lecture-based and instructional



Curriculum and Course Content

- Technology-enabled, proprietary curriculum comprising rich, standardized and multimedia content

- Traditional textbooks focusing on standardized tests as well as grammar and vocabulary



Role of Teacher

- Facilitate an interactive and immersive environment

- Lecture and deliver content in textbooks



Results

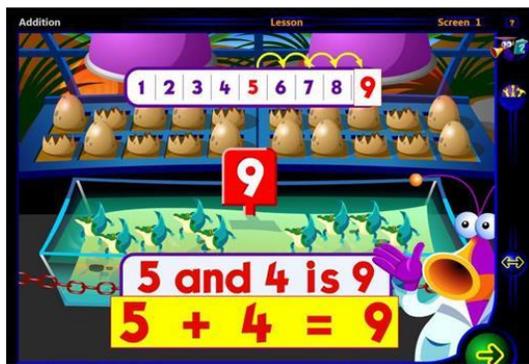
- Holistic student development and contextualized understanding of language

- Rigid, test-oriented

2 We Develop Our Curricula with Technology in Mind

HMH-Based Courseware

- Courseware and selected content based on an exclusive and royalty-free right to use certain Houghton Mifflin Harcourt (HMH) courseware developed before October 2011 in China permanently for after-school tutoring services
- Mainly for Rise Start and Rise On



Self-Developed Courseware

- Developed by dedicated curriculum development team
- Over ~5,000 course hours of content
- Used across all core programs, especially Rise Up



Subject-based Course Materials

- Refers to over 430 study tools fully developed by Rise to complement courseware
- Used in and out of classrooms in all learning centers across Rise network



Technology Powers Our Curricula



Online Learning,
Performance Appraisal
Parent/ Student
Communication



Interactive
White Boards



Multimedia
Content



Online Instruction and
Access to Content



AR/VR and AI

2 Digital Capabilities Supported by Proprietary Rise+ Platform



- A nation-wide open platform for **TEACHING** and **LEARNING** support
- Accumulated **127,000 students** in **144 cities** took online small group classes through Rise+ in Q1 2020
- Offered 40+ online **TRAINING** sessions, covering **over 20k** teaching staff and sales staff in franchised learning centers in Q1 2020
- Supported the online migration of **regular Rise** courses in late April reliably and stably



在线图书馆



环球英乐家



拼读冻



语法游戏



拼写星



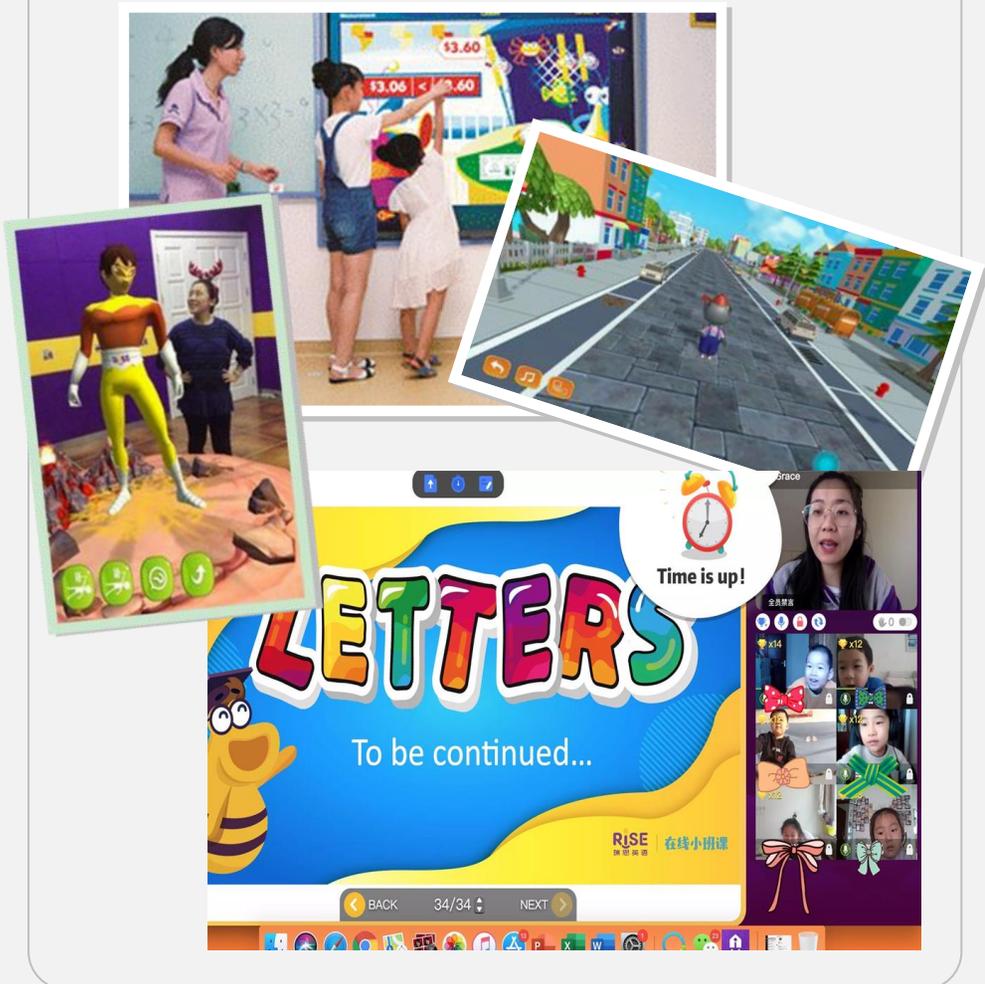
试听馆



魔法语法

2 Our Offline and Online Class Experience

Technology-Based



Immersive and Interactive

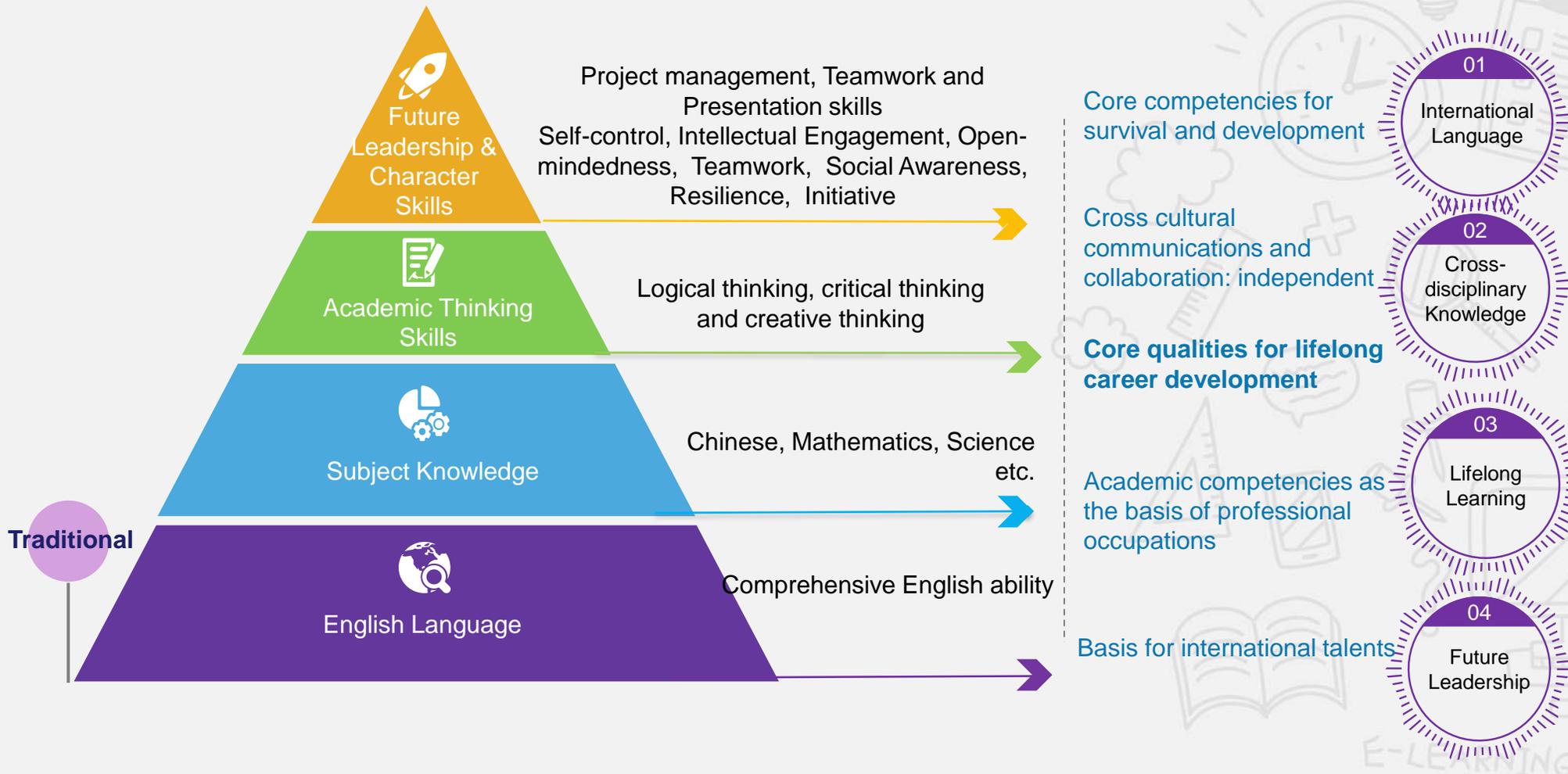


E-LEARNING

3 We Develop Courses to Embody Holistic Education



Developing future leaders with international perspectives, mindset, knowledge and skills



Traditional

3 Our Core Products Cover The Entire 3-18 Age Range

Rise Start

Age 3-6 Stage

- Offline subject-based courses supplemented by online course offerings
- Goal is to help students develop good learning habits through play, interactions with others, discovery and experience
- Approximately 160 course hours

Rise On

Age 7-12 Stage

- Offline subject-based courses, supplemented by online course offerings
- Goal is to strengthen student abilities across variety of subject areas while emphasizing self-reliance and problem solving
- Approximately 180 course hours

Rise Up

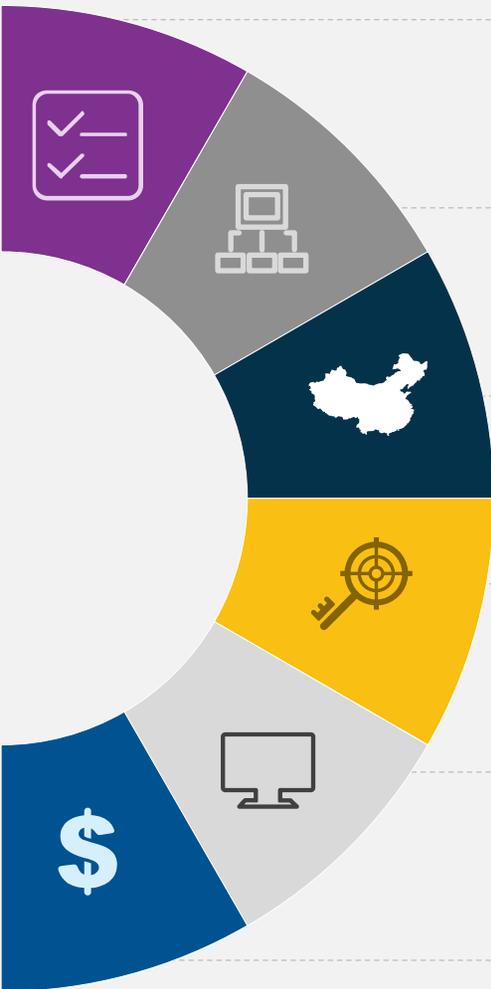
Age 13-18 Stage

- Online, subject-based courses
- Geared towards standardized test prep for American institutions, as well as honing students' independent learning, leadership, critical thinking, decision-making and communication skills
- Approximately 170 online course hours and 40 online tutorial sessions

RISE Curricula - Each Stage is Customized for Both the Subject Matter as Well as English Language



4 Overview of Our Self-owned Learning Centers



Overview

- Comprises most of our revenues and profit
- Near-term strategic focus

Scale

- 89 learning centers across 8 cities ¹

Location

- Most attractive cities, typically Tier-1 ¹
- Identified and secured by a dedicated internal team

Selling and Marketing

- Overall branding and marketing campaigns
- Selling and marketing through offline and online channels with meaningful word of mouth referral (~30%)

Operations

- Self-operated and managed
- Leased space

Financial

- Initial investment in renovations, equipment, and ongoing refurbishments
- Rise consolidates all revenue and profits

Note

1. Beijing, Shanghai, Guangzhou, Shenzhen, Wuxi, Foshan, Shijiazhuang and Hong Kong, as of March 31, 2020.

4 Our Self-owned Learning Center Operation and Management

Opening

Operation and Management

Expansion

Site Selection

- Foot traffic
- Competition
- Density
- Environment
- Building class



Center Opening

- Financial evaluation
- Standard decoration
- Dedicated team

Weekly Monitoring

- Student recruitment and retention
- Marketing channel and conversion
- Staffing and teacher training

Monthly Center by Center Review

School	Revenue Drivers				Rental Cost			Staff cost			
	New	Refund	Renew	In-class	TTLsqm	Cost/sqm	Sqm/S	S to T	Avg. SaI	Admin	Mk
BJ-大恒	●	●	●	●	●	●	●	●	●	●	●
BJ-双井	●	●	●	●	●	●	●	●	●	●	●
BJ-优盛	●	●	●	●	●	●	●	●	●	●	●
BJ-十里河	●	●	●	●	●	●	●	●	●	●	●
BJ-金源	●	●	●	●	●	●	●	●	●	●	●
BJ-北店	●	●	●	●	●	●	●	●	●	●	●
BJ-奥亚	●	●	●	●	●	●	●	●	●	●	●
BJ-军博	●	●	●	●	●	●	●	●	●	●	●
BJ-亦庄	●	●	●	●	●	●	●	●	●	●	●

Illustrative

Ramping



Satellite Centers

Satellite

Main Center

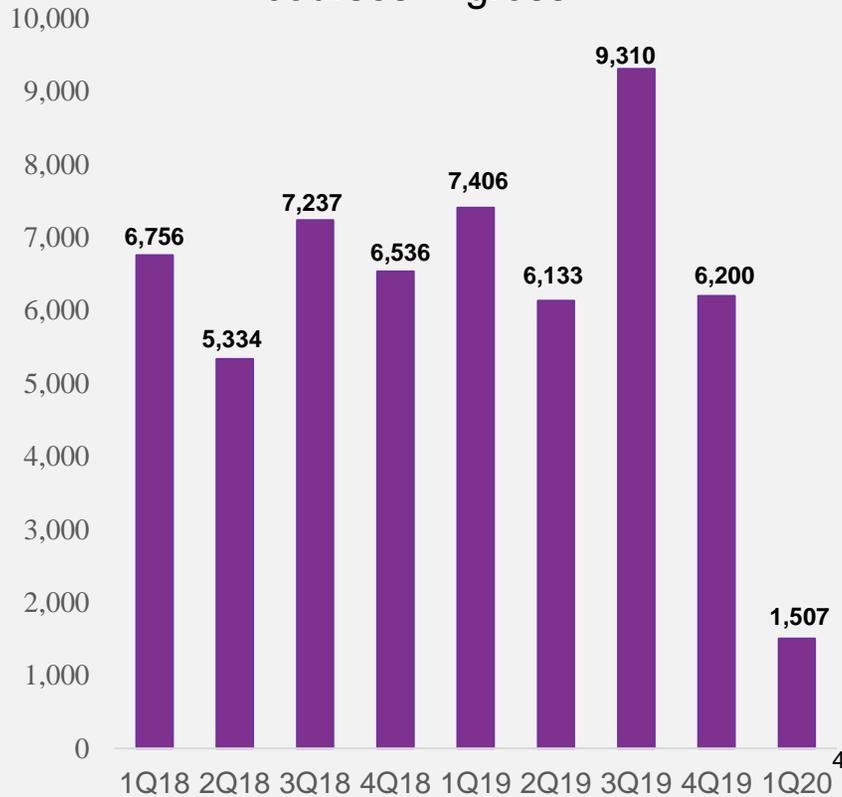
Satellite

E-LEARNING

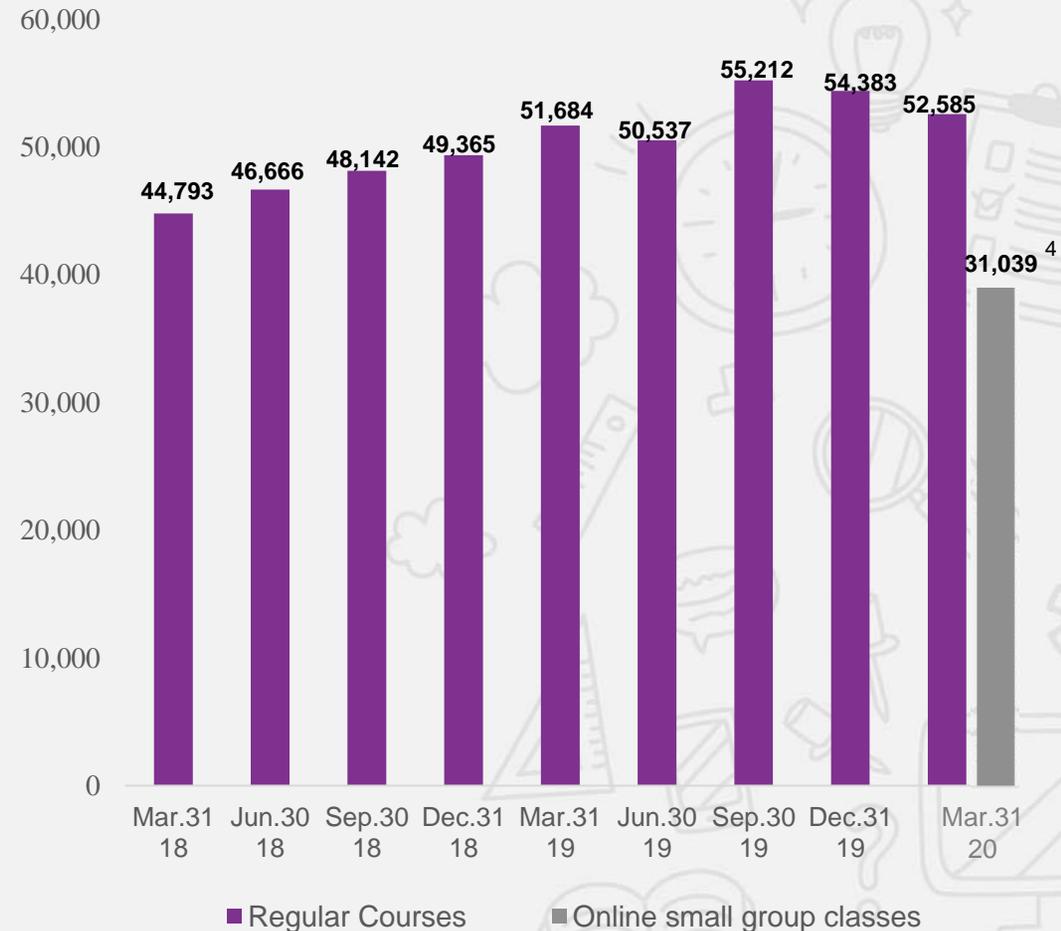
Best Practice Sharing; Corrective Actions; Follow-ups

4 Student Growth

New students enrolled¹ for regular courses³ - gross



Students in class²

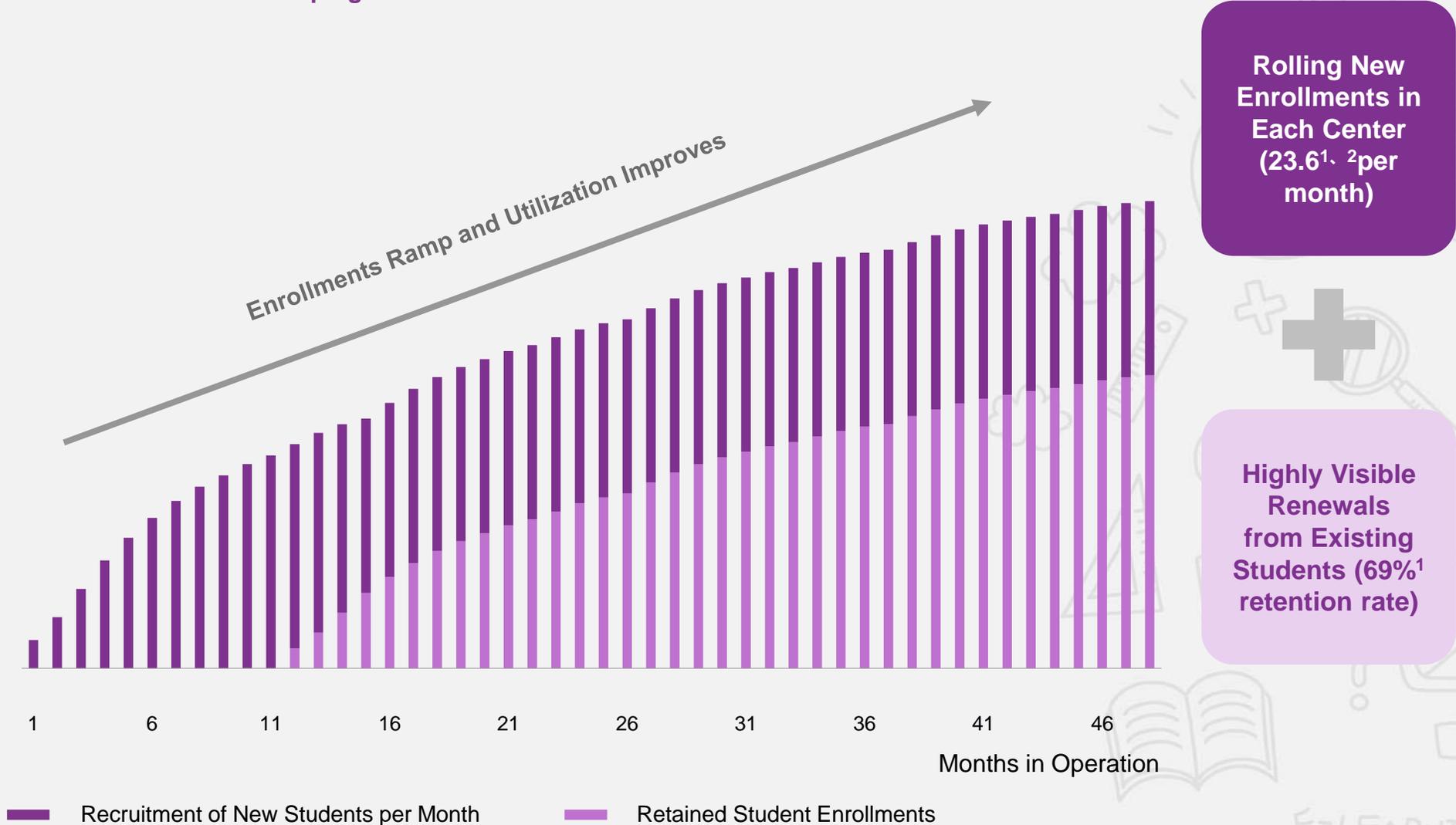


Notes:

1. New students enrolled refers to the newly acquired students who enrolled in our courses during a given period of time.
2. Students in class refers to the students who were taking Rise's ongoing courses as of a given date.
3. Regular courses include Rise Start and Rise On programs.
4. In accordance with government regulations to contain the outbreak of COVID-19, Rise's learning centers were temporarily closed throughout the majority of 1Q20. We immediately launched online small group classes in late February 2020. Students enrolled for online small group classes in Q120 were 31,822, 92.6% of whom were existing students.

4 Ability to Ramp Centers Core to Our Success

Illustrative Enrollment Ramping In New Centers



Notes:

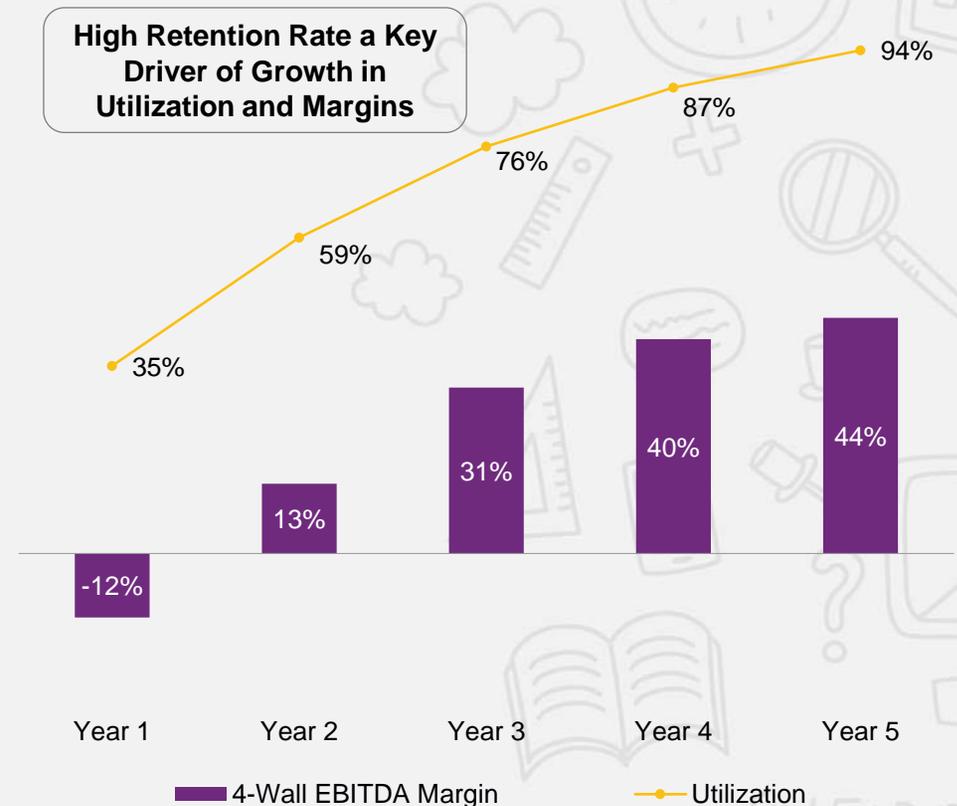
- 1. In full year of 2019
- 2. Average new enrollments per center per month in 2019 is calculated as new student enrollments after refund divided by average number of self-owned learning centers and actual operating months of all centers

4 Ability to Achieve High Single-center Profitability

We believe that a learning center can achieve adjusted EBITDA¹ margin like...

Revenue	Driven By	Variable
 Teachers ~20%	Student to teacher ratio	
 Marketing ~10%	Number of new enrollments Cost per student	
 Rent ~15%	Size of center	
 G&A ~8%	Largely Fixed	
 EBITDA 45 – 50%		

EBITDA Margin Increases With Ramping SOLC Unit Economics

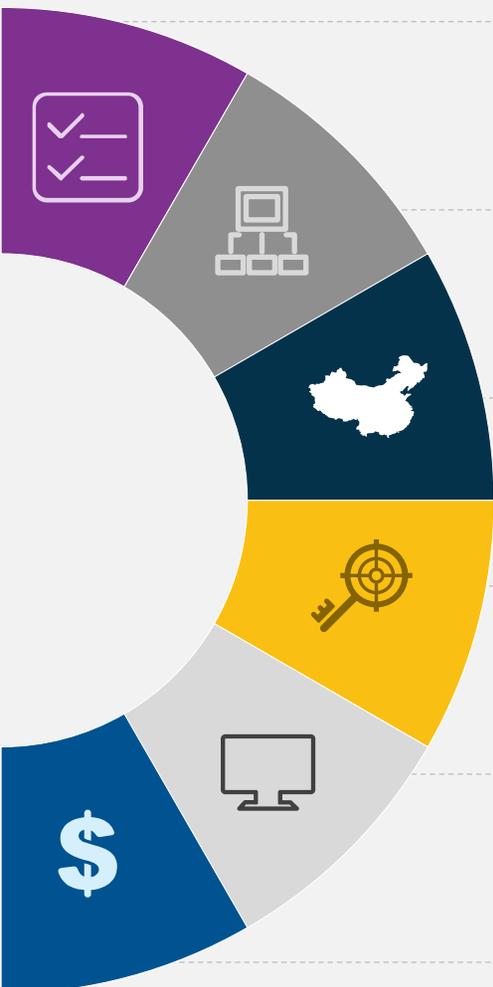


Note:

1. Adjusted EBITDA excludes share-based compensation expenses from EBITDA

Source: average historical data for RISE's SOLCs

5 Overview of Our Franchised Model



Overview

- Allows us to strategically expand the network and secure consumer mind share by raising brand awareness
- Test the market in Tier-3, Tier-4 and even Tier-5 cities
- Maintain quality of brand and operations through standards defined by us

Scale

- 386 learning centers ¹

Location

- Typically non-Tier-1 ² cities
- Exact location is selected by partners and approved by Rise

Operations

- Operated and financed by partners (monitored by Rise)
- Leased space that is renovated by partners
- Local staff (including teachers) hired by partners
- Limited oversight on a day-to-day basis by Rise

Selling and Marketing

- Benefits from overall branding and marketing undertaken by Rise
- Franchise partners responsible for entry-level selling and marketing including student enrollment

Financial

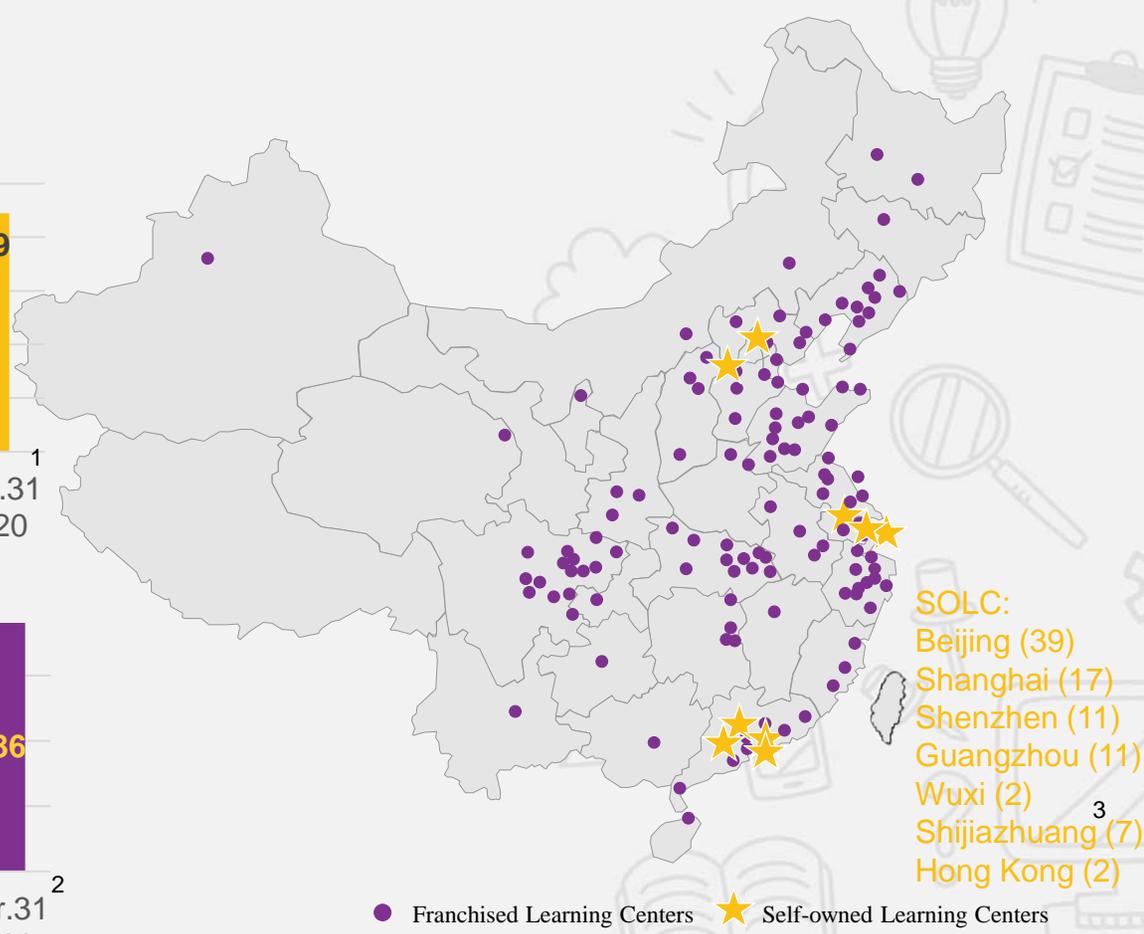
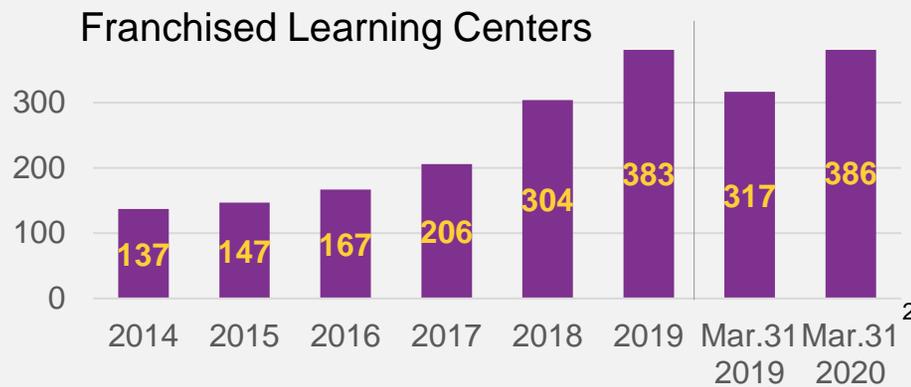
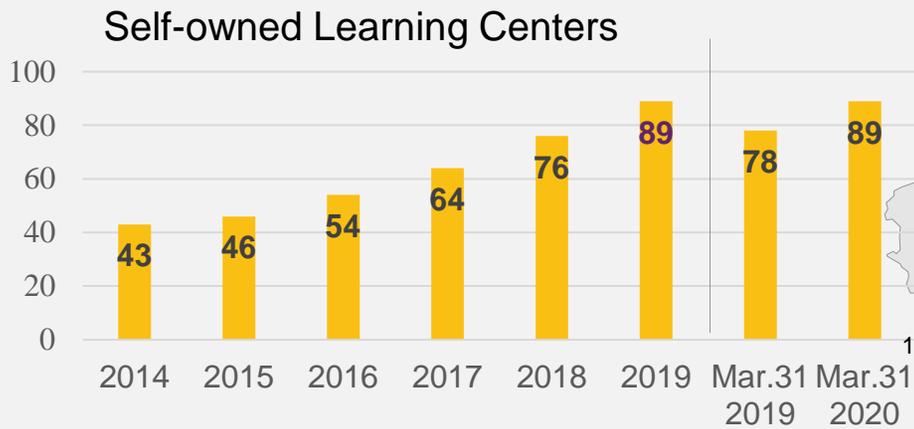
- No initial investment by Rise
- 5-year franchise agreement, renewable at Rise's option
- Rise collects franchise fee (fixed amount at every contract signing / renewal as well as recurring share of tuition and fees)
- Product pricing is reviewed and approved by Rise

Notes:

1. Include one learning center in Singapore. All numbers are as of March 31, 2020 unless otherwise specified.
2. Tier-1 cities include Beijing, Shanghai, Guangzhou, Shenzhen

5 Our Franchise Model Has Enabled the Establishment of a Nationwide Footprint

- As of March 31, 2020, RISE boosts to 475 learning centers, covering 158 cities
- RISE brand influence and recognition further penetrating into more cities



SOLC:
 Beijing (39)
 Shanghai (17)
 Shenzhen (11)
 Guangzhou (11)
 Wuxi (2)
 Shijiazhuang (7)
 Hong Kong (2)

Notes:

1. 87 self-owned learning centers in mainland China, 2 in Hong Kong,
2. 385 franchised learning centers in mainland China and 1 in Singapore which is operated by our wholly-owned subsidiary, The Edge.
3. Acquired and began consolidating Shijiazhuang from 2019 Q3.

6 Premium Trusted Brand

Our Brand is Powerful ¹



We Have Received Many Awards

- 1 Most Popular Junior English Education Organization
- 2 Most Reputable Junior English Education Organization
- 3 Most Creative Brand of the Year 
- 4 Top 10 Influential Chinese Education Brands of 2019

Notes:

1. In China's Junior ELT market
2. In China's age 3-6 ELT market
3. For 2019

How Others Describe Us

Rise advocates the unique development of each child according to their own strengths, which is exactly in line with Princeton's admissions standards.

— Princeton University Dean of Admissions

Rise is not just about teaching English, but about using English to impart knowledge and develop skills.

— Father of Nemo, a Rise Student

In the past 10 years, Rise has shown continuous innovation, nonstop exploration, and a determined focus.

— Tianjin Franchise Partner

Recognized by Industry Regulators and Public Schools



瑞思参与《少儿语言培训服务规范》重要内容的撰写
 Attended the Formulation of the “Specification of Language Training Service for Young Learners”

Experienced Management Team with Strong Execution Capability

Executive Directors

Lihong Wang
Chairwoman and CEO

- 20+ years of investment, finance and management experience
- Director of RISE since 2013 and Chairwoman since 2017
- Previously, managing director of Bain Capital, and executive director of Morgan Stanley



Jiandong LU
CFO

- CFO of RISE since Nov. 2018
- COO of RISE from Sep. 2018 to Apr. 2020
- Previously, managing director in the Global Real Asset Asia Fund of J.P.Morgan Asset Management, managing director and COO of J.P.Morgan First Capital Securities Ltd.



Other Senior Management

Tai Hui
COO

- 25+ years of Internet, IT and education experience
- COO of RISE since April 2020
- Previously, Co-CEO of YXT.COM, general manager of Hewlett-Packard China, and various positions of Motorola



James Yang
Senior Vice President

- Joined RISE in 2013
- Previously, President of Huabei Coverage of Xiamen Overseas Chinese Electronic Co. Vice General Manager of Gymboree China



Sally Yuan
Senior Vice President of Academics

- Joined RISE in 2007
- Secretary-general of the English Education Research Branch of the Beijing Education Institute; Responsible for various program in China's 12th 5-year plan; Experienced Childhood English Education Expert



Karen Zhu
Senior Vice President of Operation

- Joined RISE in 2008
- Previous experience in marketing, sales, project execution division in domestic corporate software company and CEO of subsidiaries





Section 3

Financial Highlights

Top Line Growth

Three Distinct Revenue Streams

Educational Programs

- Tuition & fees from online/offline courses as well as academic consulting, academic tutoring & test prep provided from the Edge
- Course material fees

Franchise Revenues

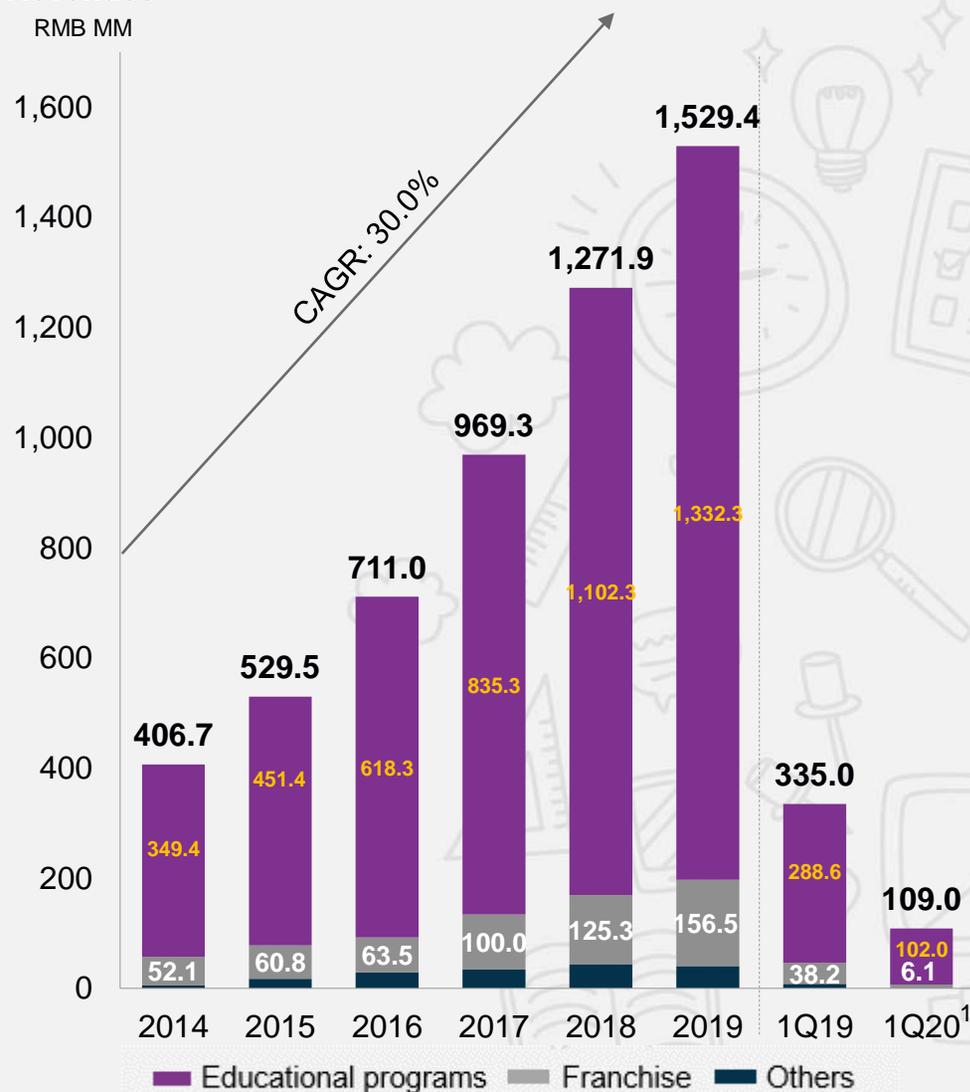
- Fixed upfront fees / fixed renewal fees
- Pre-agreed share of tuition and fees on ongoing basis
- Course material fees

Others

- Tuition and fees from overseas study tours and other complementary products

Revenues

RMB MM



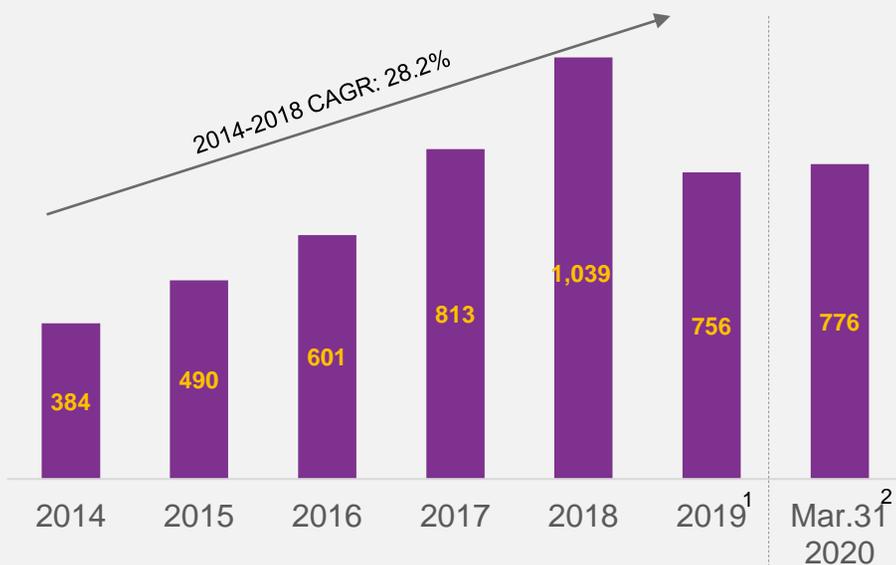
Note:

1. The decrease in revenues in 1Q20 was primarily due to the temporary closure of Rise learning centers from late January 2020 as a result of the outbreak of COVID-19.

Highly Visible Future Revenues

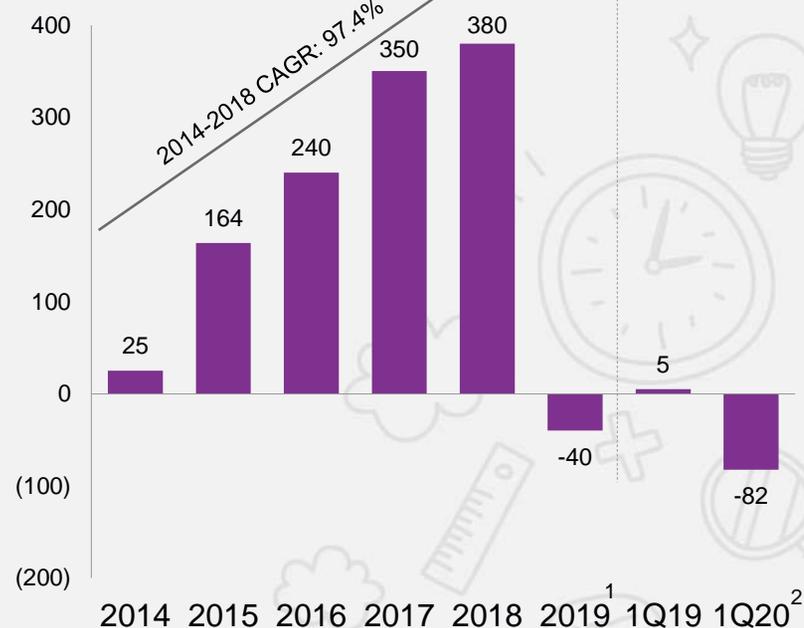
Deferred Revenue and Customer Advances

RMB MM

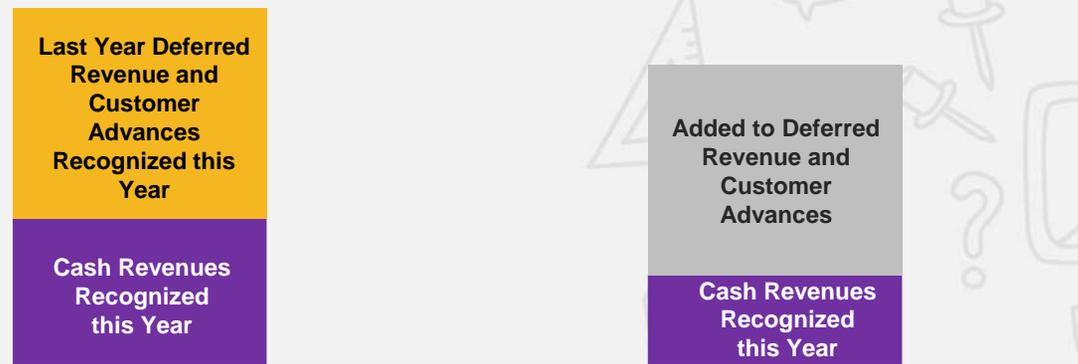


Operating Cash Flow

RMB MM



Illustrative Revenue Recognition



Last Year Deferred Revenue and Customer Advances

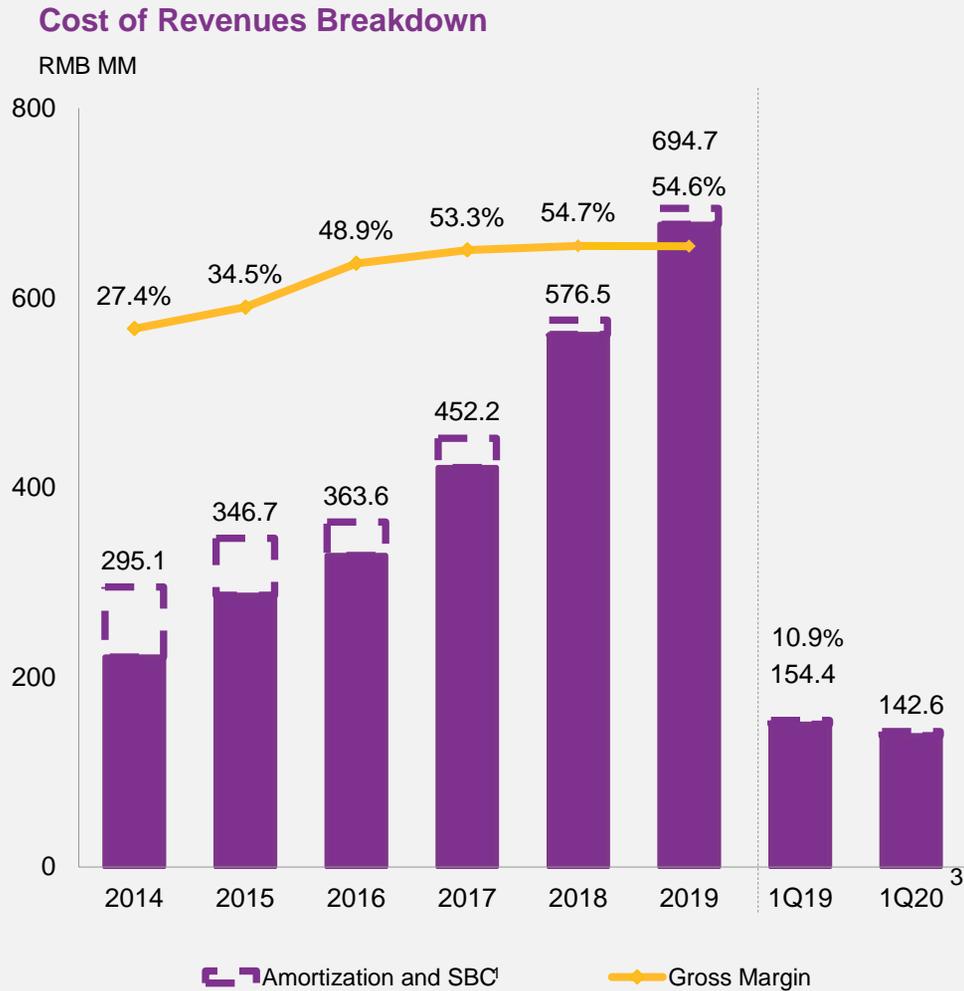
This Year GAAP Revenues

This Year Gross Billings

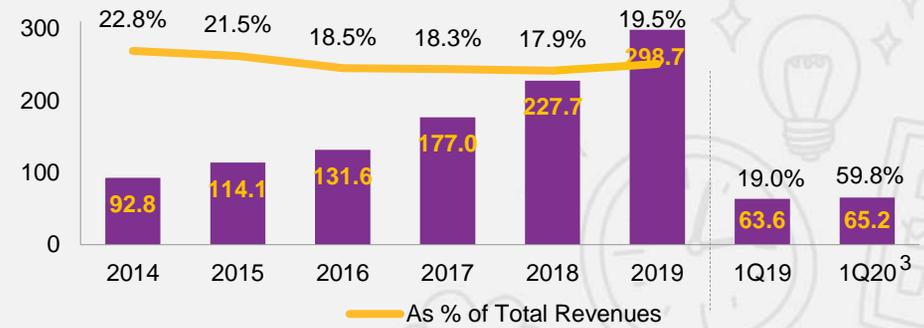
Notes:

1. The decrease of deferred revenue and operating cash flow in 2019 was primarily due to a change in the collection schedule for tuition fees which split our standard courses into 3 to 4 installments throughout the period since December 2018 in Beijing and Wuxi.
2. The outbreak of COVID-19 in late January 2020 adversely impacted our ability to market our services and acquire students through our learning center network, and collect tuition fees.

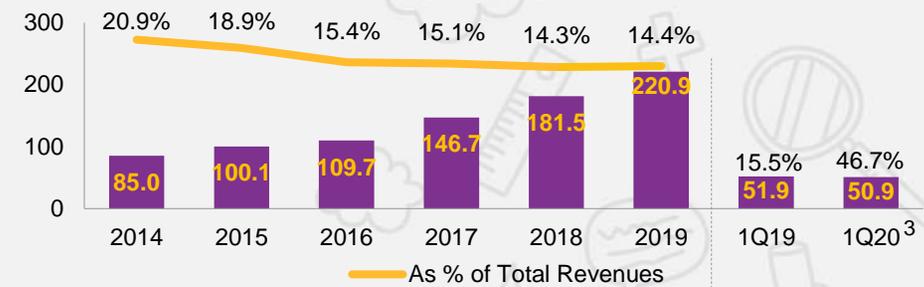
Cost of Revenues Breakdown



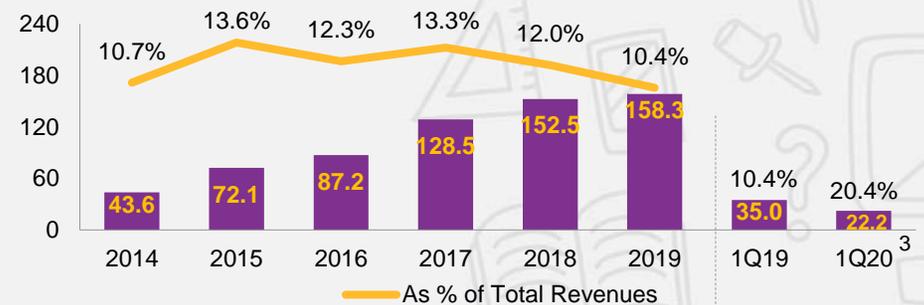
Non-GAAP Personnel Costs (RMB MM)



Non-GAAP Rental Costs² (RMB MM)



Non-GAAP Others (RMB MM)



Notes:

- Amortization of certain intangible assets, including teaching course license, trademark, student base and franchise agreements, acquired as part of the junior English Language Training ("ELT") business acquisition by the Company from certain third-party in 2013 (the "2013 acquisition")
- Rental Costs include property management fee
- The outbreak of COVID-19 in late January 2020 adversely impacted our revenue recognition through our learning center network.

Operating Expenses Breakdown

Non-GAAP Selling and Marketing Expenses¹

- General marketing channel
- Related personnel expenses
- Branding and promotional expenses, including expenses related to our events such as **Rise Cup** and **Rise Star**

Non-GAAP General and Administrative Expenses¹

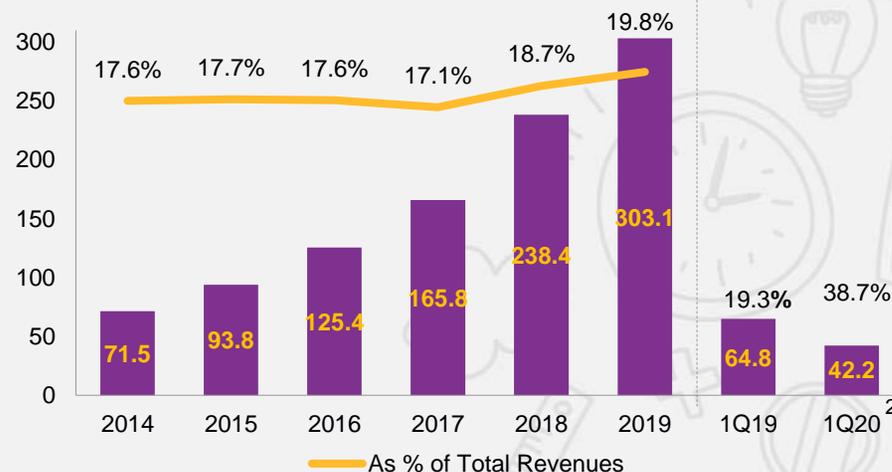
- Personnel expenses related to management and other employees
- Fees paid to professional parties
- Rental expenses for administrative facilities

Notes:

1. Non-GAAP Selling and Marketing Expenses and non-GAAP General and Administrative expenses exclude relevant share-based compensation expenses, IPO related expenses, one-off expenses and amortization of certain intangible assets acquired as part of the 2013 acquisition.
2. The increased expenses as a percentage of revenues in 1Q20 was a result of the lower revenue recognition due to the outbreak of COVID-19 started in January 2020.

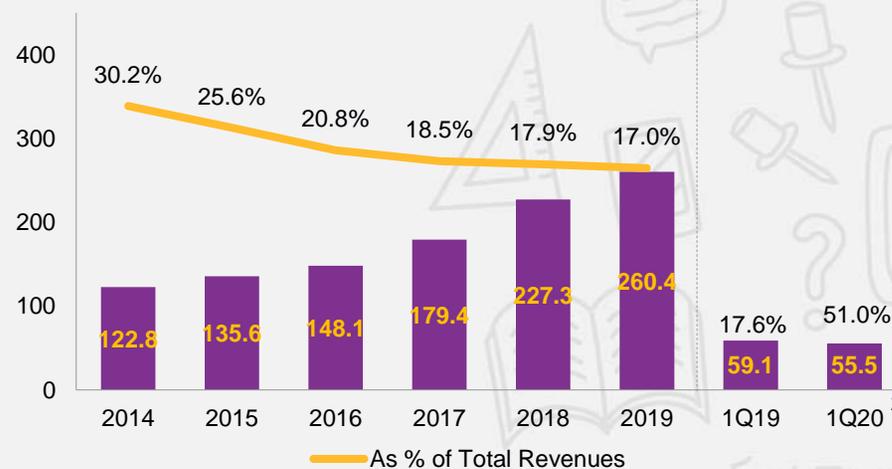
Non-GAAP Selling and Marketing Expenses¹

RMB MM



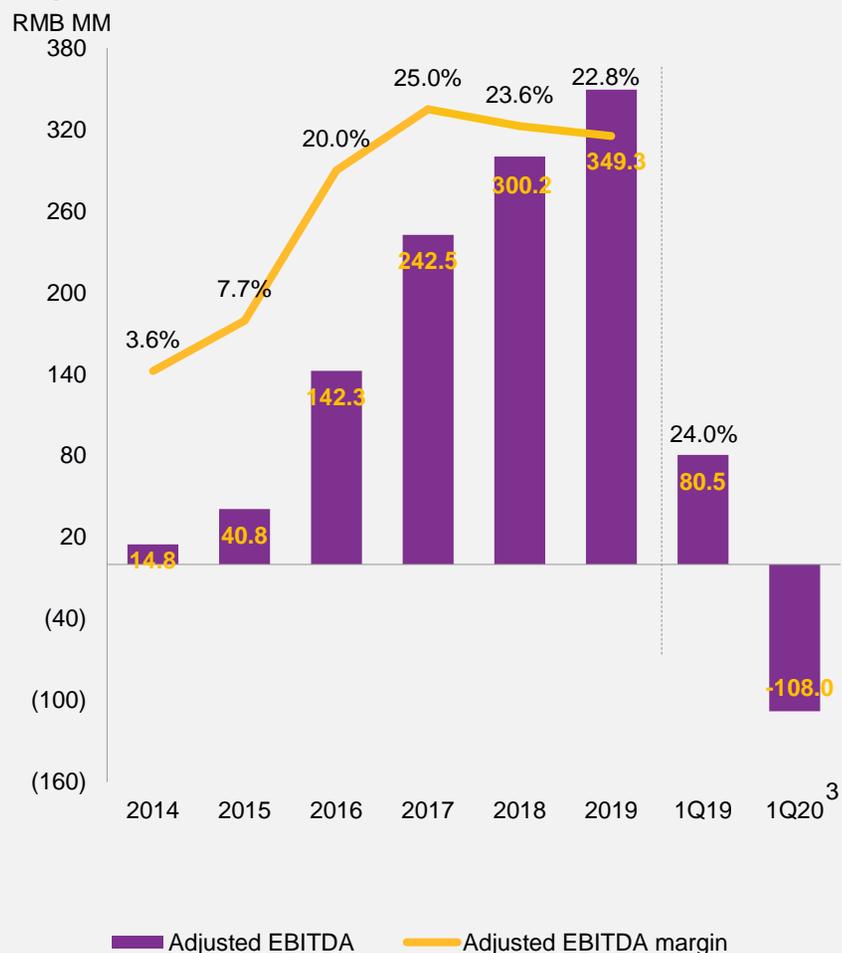
Non-GAAP General and Administrative Expenses¹

RMB MM

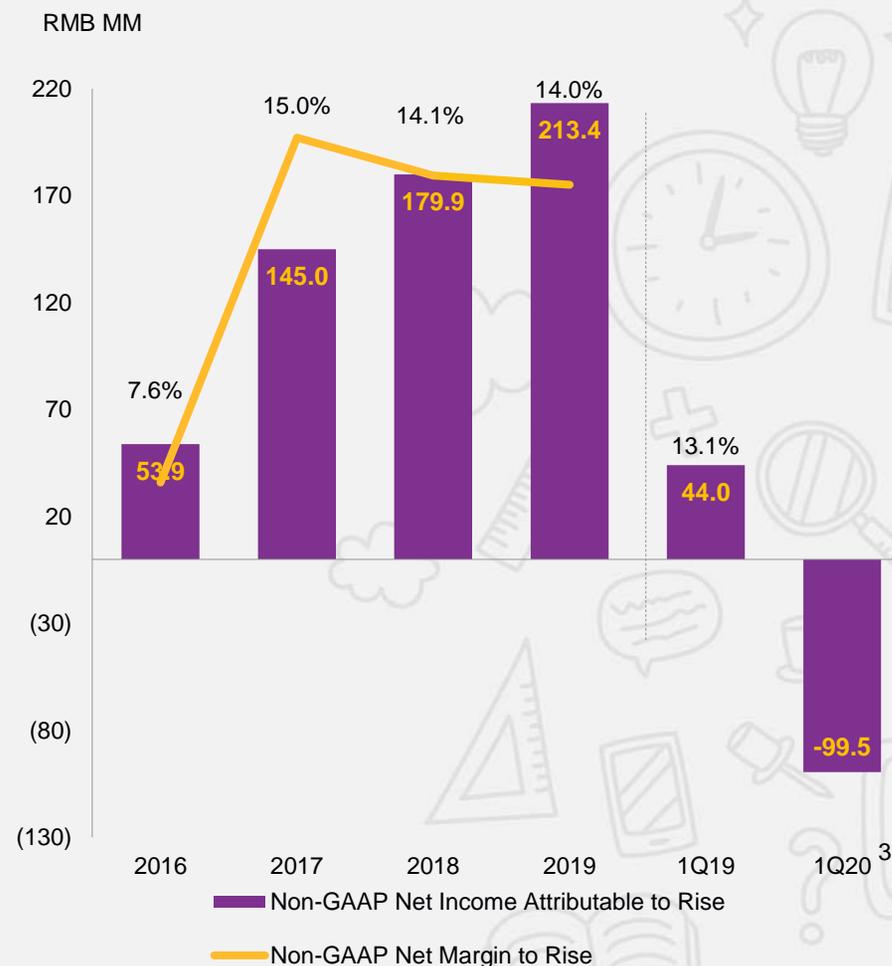


Profitability

Adjusted EBITDA ¹



Non-GAAP Net Income Attributable to RISE ²



Notes:

- Adjusted EBITDA is defined as net income or loss before interest, taxes, depreciation, amortization and adjusted for IPO related expense, SBC and one-off expenses.
- Non-GAAP net income attributable to Rise excludes IPO related expense, one-off expenses, share-based compensation expenses and amortization of certain intangible assets acquired as part of the "2013 acquisition" from net income attributable to Rise.
- The decrease in adjusted EBITDA and non-GAAP net income attributable to Rise in 1Q20 was primarily due to the lower revenue recognition through our learning center network due to the outbreak of COVID-19 started in January 2020.



Section 4

Growth Strategies

Rise Long-term Strategy

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

