

Warburg Pincus and Genesis Capital Invest US\$120 Million into Zhangmen, China's Leading Online Tutoring Platform

January 9, 2018, Beijing – Zhangmen, China's leading K-12 personalized online tutoring company, announced today that the company has completed D-round financing of US\$120 million, funded by an affiliate of Warburg Pincus, a leading global private equity firm focused on growth investing, and Genesis Capital, a Chinese growth capital fund focused on growth stage Internet companies. This is the sixth round of financing by the company and the largest financing by a Chinese K-12 personalized online tutoring company in China.

Through online and mobile apps of Zhangmen, primary and middle school students from eight to 18 years old can select top teachers who have graduated from China's first-class universities such as Tsinghua, Peking University and Fudan, for personalized, one-on-one tutoring sessions. Zhangmen currently has 30,000 full time and part-time tutors, and more than 1 million registered students across over 600 cities in China.

Yi Zhang, Founder and Chief Executive Officer of Zhangmen, commented, "Warburg Pincus is one of the preeminent global private equity firms in China with a strong track record in investing and helping build leading industry players such as 58.com, Mobike and Uxin. We are honored to partner with Warburg Pincus, and we look forward to working together to build Zhangmen into a durable, solid and world-class education company."

Michael Chen, Managing Director of Warburg Pincus, commented, "K-12 after-school tutoring is one of the largest, fastest growing and least cyclical consumer markets in China. We expect the personalized one-on-one tutoring market to reach over RMB400 billion (US\$60 billion) with an annual growth rate of 20% in 2023. With strong macro trends of rising spending and increasing online penetration, we expect the online market to capture at least 10% of the overall after-school tutoring market in 2023. We have been very impressed with the company's exponential growth in the last three years on the back of its strong technological strengths, big data and operational capabilities, and firmly believe it will continue to play a leadership role in consolidating the market and expanding into the other segments of online education."

According to Zhangmen, total revenue of the company reached over RMB1 billion in 2017, with a number of notable milestones. In June 2017, Zhangmen became the first online after-school tutoring company to achieve RMB100 million monthly revenue. During the "November 11 Singles' Day" and "December 12 Shopping Festival" in 2017, Zhangmen achieved record revenues of RMB30 million and RMB100 million a day respectively.

Warburg Pincus is a leading global private equity firm focused on growth investing. The firm has more than \$44 billion in private equity assets under management. Since entering the Chinese market in 1994, Warburg Pincus has invested over \$8 billion in more than 100 companies in China, including leading technology and internet companies 58.com, Uxin, Liepin and Weidian. The firm's over 30 portfolio companies in China include Amcare, China Huarong, UCAR, Baosteel Gases, ZTO Express, Red Star Mecalline, Kidswant, Evercare, Mofang Apartment, Mobike, NIO, Souche and Yuanfudao.

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