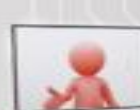


# Investor Presentation

Nov 2016



# Disclaimer

These materials have been prepared by Tarena International, Inc. (the “Company”) solely for use in this presentation in connection with investor communication. These materials are strictly confidential, are being given solely for your information and for your use and may not be copied, reproduced, distributed, redistributed or passed on, directly or indirectly, to any other person in any manner, or published, in whole or in part, for any purpose. No part of these materials may be retained by you or retransmitted. By attending this presentation, you agree not to remove ANY of these materials, or any materials provided in connection herewith, from the conference room where such materials are provided. Participants must return these materials and all other materials provided in connection therewith to the Company at the completion of the presentation. By participating in this presentation, you agree to be bound by the foregoing restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

Information contained in these materials has not been independently verified. No representations, warranties or undertakings, express or implied, are made as to, and no reliance should be placed on, the accuracy, fairness, completeness or correctness of the information or opinions presented or contained in these materials. Neither the Company nor any of its respective affiliates, advisers or representatives will accept any responsibility whatsoever for any loss arising from any information or opinions, presented or contained in, or derived from, these materials. The information presented or contained in these materials is subject to change without notice and its accuracy is not guaranteed.

These materials contain forward-looking statements based on the currently held beliefs, expectations and assumptions of the management of the Company. These forward-looking statements are made only, and are based on estimates and information currently available to the Company, as of the date of these materials. These forward-looking statements are not guarantees of future performance, are subject to risks and uncertainties that are difficult to predict, and are based on assumptions that may change. Some of the risks and uncertainties are beyond the Company's control. You are cautioned that actual results of the Company may differ materially from those set forth in the forward-looking statements herein. Except as otherwise required by applicable securities laws, the Company disclaims any intention or obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

By attending this presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of the Company.

This presentation speaks as of the period from Nov 21, 2016 to Mar 31, 2017. Neither the delivery of this presentation nor any further discussions of the Company or any of its affiliates, shareholders, directors, employees, agents or advisors with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since that date.



## **Shaoyun HAN**

*Founder, Chairman,  
Chief Executive Officer*

- Founder and CEO of Tarena since 2002
- Former deputy chief engineer and director of the software division of AsiaInfo-Linkage
- Bachelor's degree in Computer Application from Jilin University



## **Yuduo YANG**

*Chief Financial Officer*

- CFO since 2015
- Former VP at Beijing Fengshun Lubao Car Auction Co. Ltd, finance director at Bybon Group Co. Ltd, finance manager at Google and Lucent Technologies, auditing manager at KPMG Beijing Office
- Bachelor's degree in Economics from Renmin University of China, MBA from Fordham University

## **Our Mission...**

*To improve careers and change lives by delivering high quality professional education services*

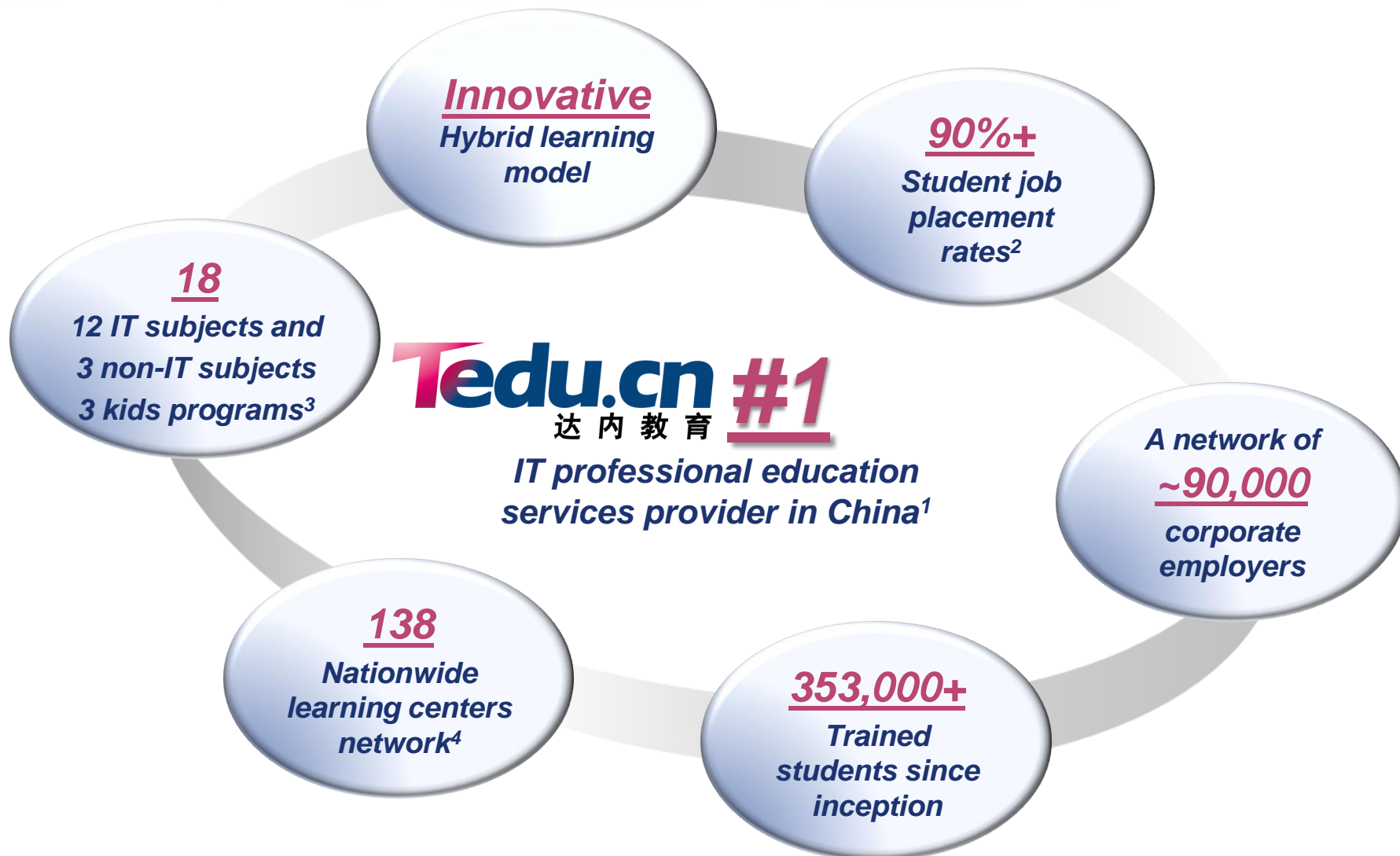
## **Our Vision...**

*To become the world's leading and most innovative professional education services provider*

# I. Company overview



# Who we are



Source: Company filings, IDC report

1. Source: IDC, as measured by revenues in 2013

2. Six-month post-course job placement rates for students enrolled since Oct. 2015

3. The company launched kids training programs since 2015Q4, under the brand name "Tongcheng", "Tongmei" and "Tongchuang".

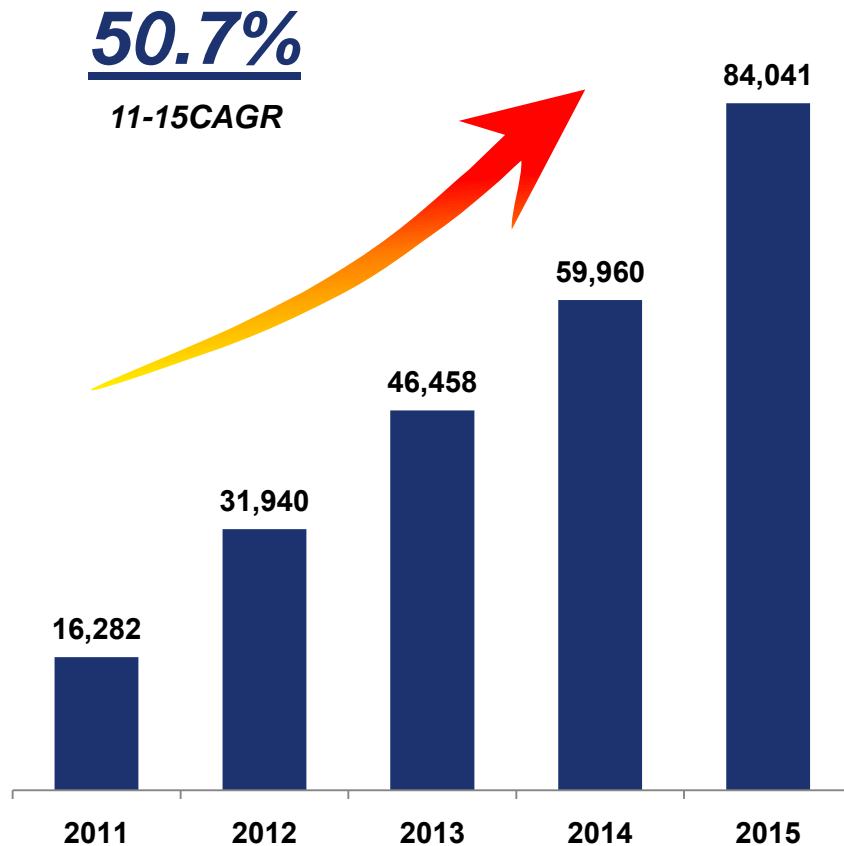
4. All learning centers are directly operated learning centers.

# Our value proposition



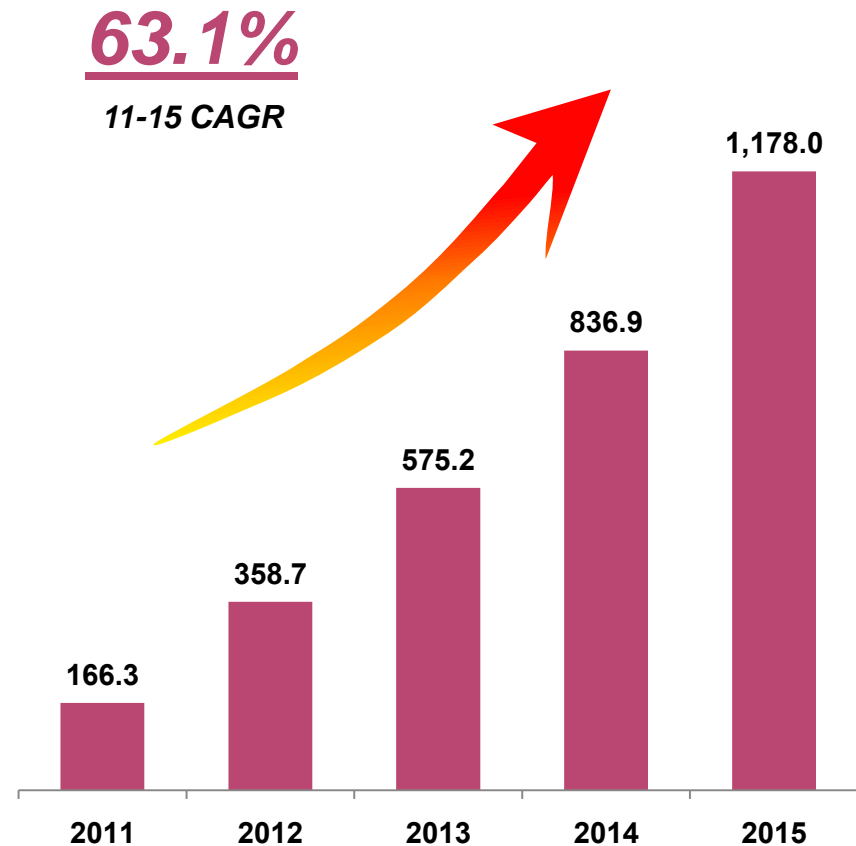
# Our growth

## Our student enrollments<sup>1</sup>



## Our net revenues

(RMB mm)



Source: Company filings

1. Student enrollments throughout the presentation exclude student enrollments at the Company's two franchised learning centers in Xi'an

## II. Investment highlights



# Investment highlights

**1** Attractive market opportunities

**2** Innovative and effective education platform

**3** Scalable and efficient business model

**4** Respected brand known for high quality professional education

**5** Outstanding job placement record

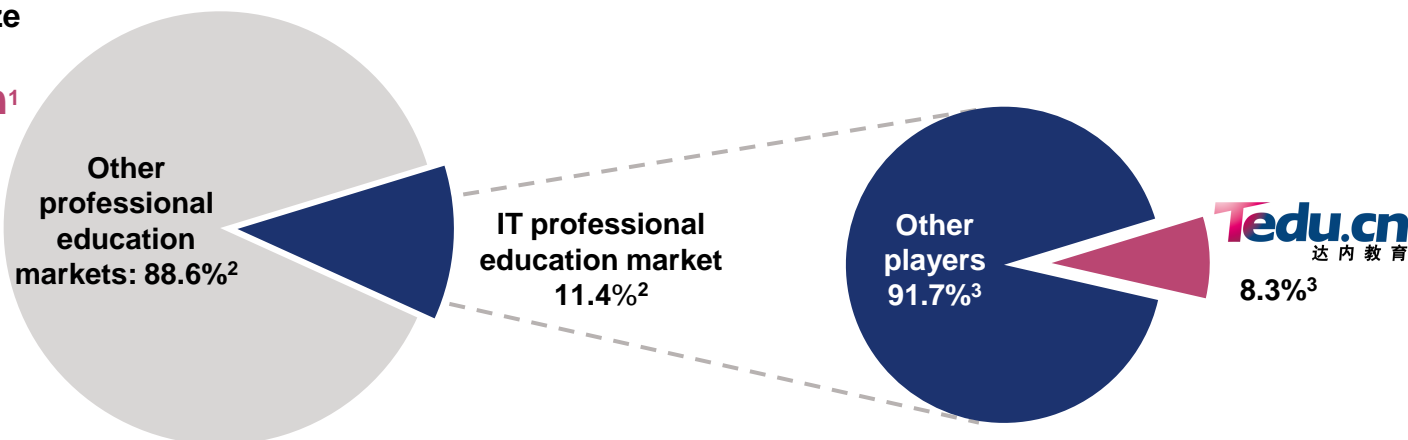
**6** Stable and experienced management team

# 1 Attractive market opportunities

## Significant growth opportunities

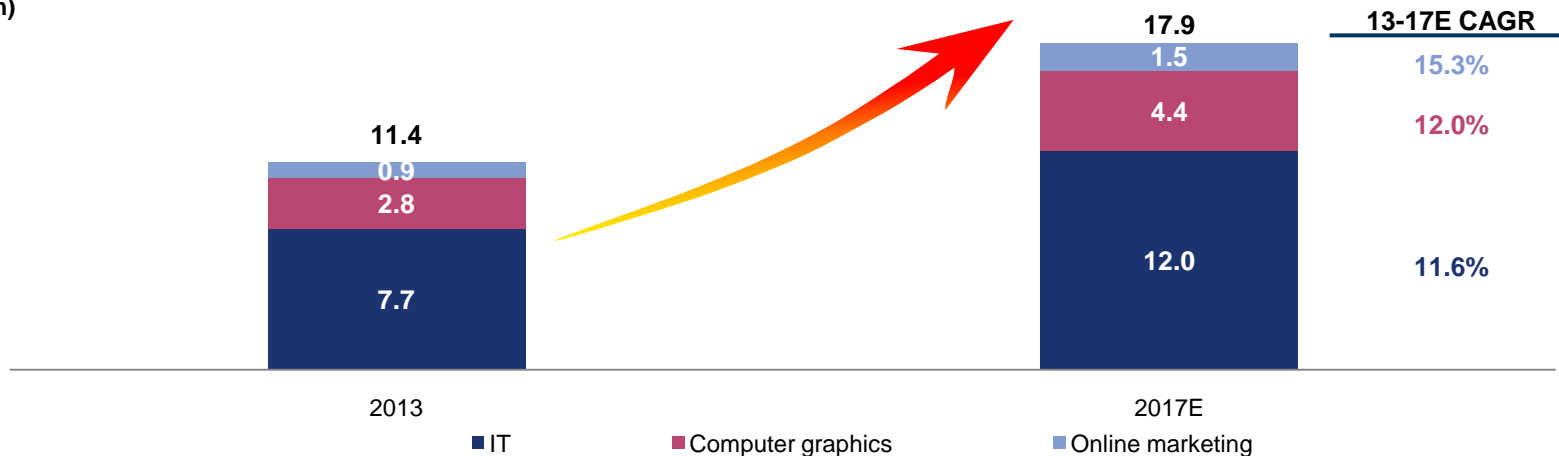
Total market size  
in 2013:

**RMB67.5 bn<sup>1</sup>**



## Large and growing addressable market<sup>1</sup>

(RMB bn)

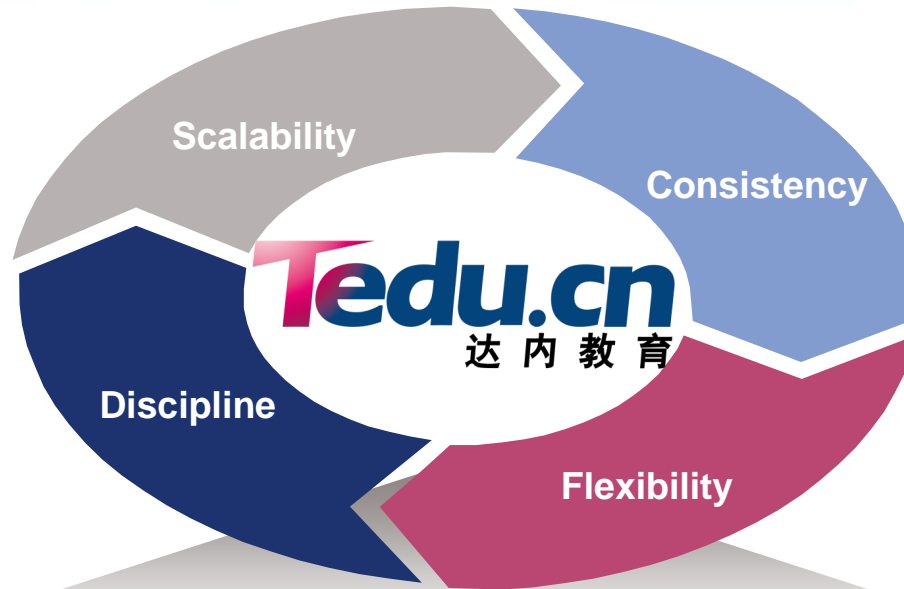


1. Source: IDC

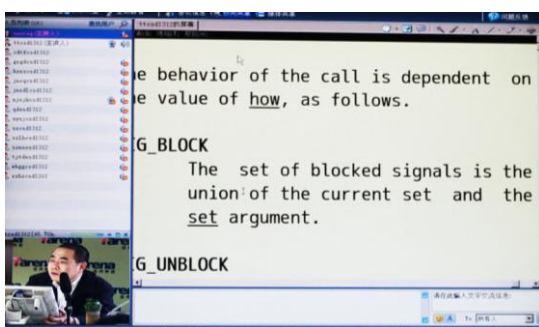
2. Source: IDC, Professional education service market segment by revenues in 2013

3. Source: IDC, IT professional education market share by revenues in 2013

## 2 Innovative and effective education platform



### Live distance instruction



### Classroom-based tutoring

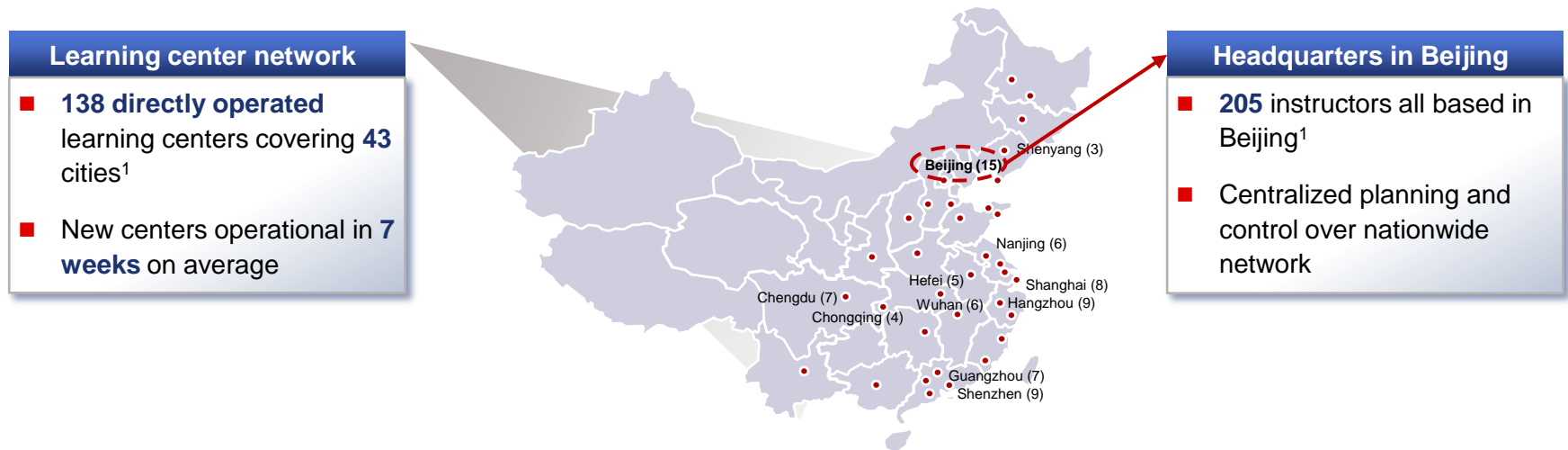


### Online learning modules



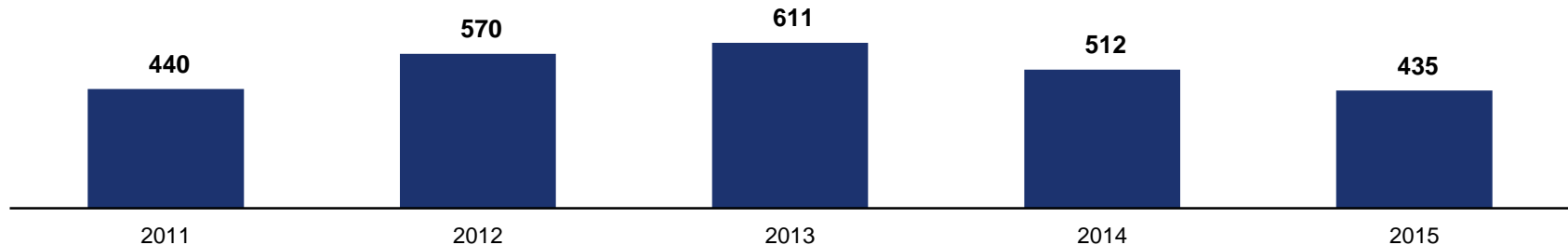
### 3 Scalable and efficient business model

#### Organically developed nationwide network...



#### ... Proven to be scalable and efficient

Average student enrollments per instructor<sup>2</sup>






Source: Company filings

1. As of Sep. 30, 2016

2. Defined as student enrollments in a year divided by the number of instructors as of the end of that year. In 2015, we opened Web front course in Q1, Big data course in Q2 and two courses for kids in Q4.

# Respected brand known for high quality professional education

## High quality instruction

-  Instructors with extensive industry experience
-  Highly selective instructor hiring process
-  Proprietary and comprehensive curricula

## Outstanding brand recognition



***“Outstanding Training Institute”<sup>1</sup>***





***“Professional Training Institute for Service Outsourcing Industry”<sup>2</sup>***

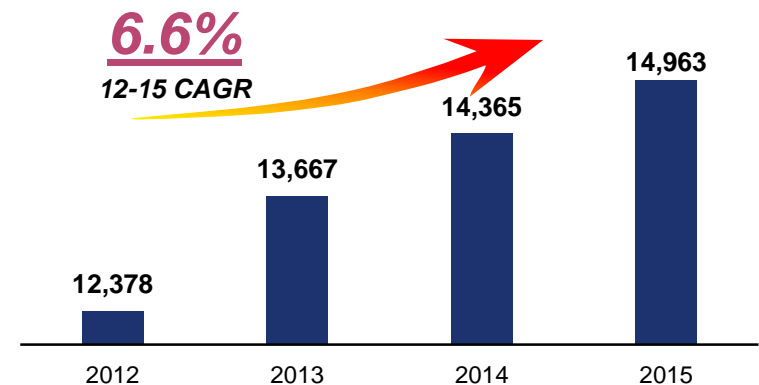


***Winner of “Leading Enterprise in China Education Industry”<sup>3</sup>***

## Excellent track record of students' success

-  Outstanding job placement record
-  Strong commitment to career services for students

## Average net revenues per course enrollment<sup>4</sup> (RMB)



Source: Company filings, public information

1. “教育行业优秀培训基地”, granted by Ministry of Industry and Information Technology of the PRC in 2013

2. “服务外包人才培训基地”, granted by local Municipal Commissions of Commerce in 2012

3. “中国教育行业领军企业”, granted by CCTV and New Champions Magazine in 2011

4. Defined as net revenues divided by course enrollments in corresponding periods

**353,000+**  
*trained students  
since inception*

*A network of **~90,000**  
corporate employers<sup>1</sup>*

**90+%**  
*student job  
placement rates<sup>2</sup>*

*Average starting  
salary **14.3%** higher  
than national average<sup>3</sup>*

Source: Company filings, IDC report

1. As of Sep. 30, 2016

2. Six-month post-course job placement rates for students enrolled since July 2015

3. The average starting salary of Tarena students enrolled in 2012 was 14.3% higher than the national average of college graduates in 2012. The national average salary comes from IDC

## 6 Experienced and stable management team

**Mr. Shaoyun HAN**

*Founder, Chairman and  
CEO*



Founded Tarena in  
2002

**Mr. Yuduo YANG**

*CFO*



Joined Tarena in 2015

**Ms. Ying SUN**

*Vice President*



Joined Tarena in 2005

**Mr. Yinan QI**

*Vice President*



Joined Tarena in 2007

### III. Growth strategies





**1** Grow student enrollments

**2** Expand course offerings

**3** Continuously enhance quality of education services

**4** Expand corporate employer network

# Grow student enrollments

Cities	Learning Centers	Java	C++	Digital Art	Software Testing	PHP	Embedded	Android	.NET	iOS	Linux and Network Engineering	Online Sales & Marketing	Accounting	Web Front	Big Data	VR/AR
Beijing	15	●	●	●	●	●	●	●	●	●	●	●	●	●	●	▲
Shanghai	8	●	●	●	●	●	●	●		●	▲	●	●	●		
Hangzhou	9	●	●	●			●	●					●	●		
Shenzhen	9	●	●	●	●	●	●	●		●	●	●	●	●		
Guangzhou	7	●	●	●	●	●	●	●			●	●		●		▲
Nanjing	6	●	●	●				●					●	●		
Wuhan	6	●	●	●	●	●		●						●		
Chengdu	7	●	●	●	●	●		●				●	●	●		▲
Chongqing	4	●		●		●		●					●	●		
Hefei	5	●		●										●		
Shenyang	3	●		●								●				
Changsha	4	●		●										▲		
Zhengzhou	4	●		●		●		●					●	▲		
Harbin	2	●		●												
Changchun	3	●		●												
Jinan	4	●		●		●						●	●	▲		
Qingdao	4	●		●		●						●	●	▲		
Nanchang	2	●		●												
Dalian	2	●		●												
Kunming	2	●		●								●				
Tianjin	2	●		●										▲		
Nanning	1	●		●												
Wuxi	2	●		●										▲		
Suzhou	2	●		●										▲		
Shijiazhuang	2	●		●										▲		
Yuncheng	1	●		●								●				
Xi'an	2	▲			●	●		●				●		▲		
Linyi	1	●		●												
Guiyang	1	●		●												
Haikou	1	●		●												
Xiamen	2	●		●										▲		
Taiyuan	4	●		●		●						●	●	▲		
Wenzhou	1	▲		▲												
Huhhot	1	▲		▲												
Others*	9	●		●												

\*Dongguan, Yantai, Daqing, Weifang, Ningbo, Zhuhai, Fuzhou, Lanzhou, Luoyang

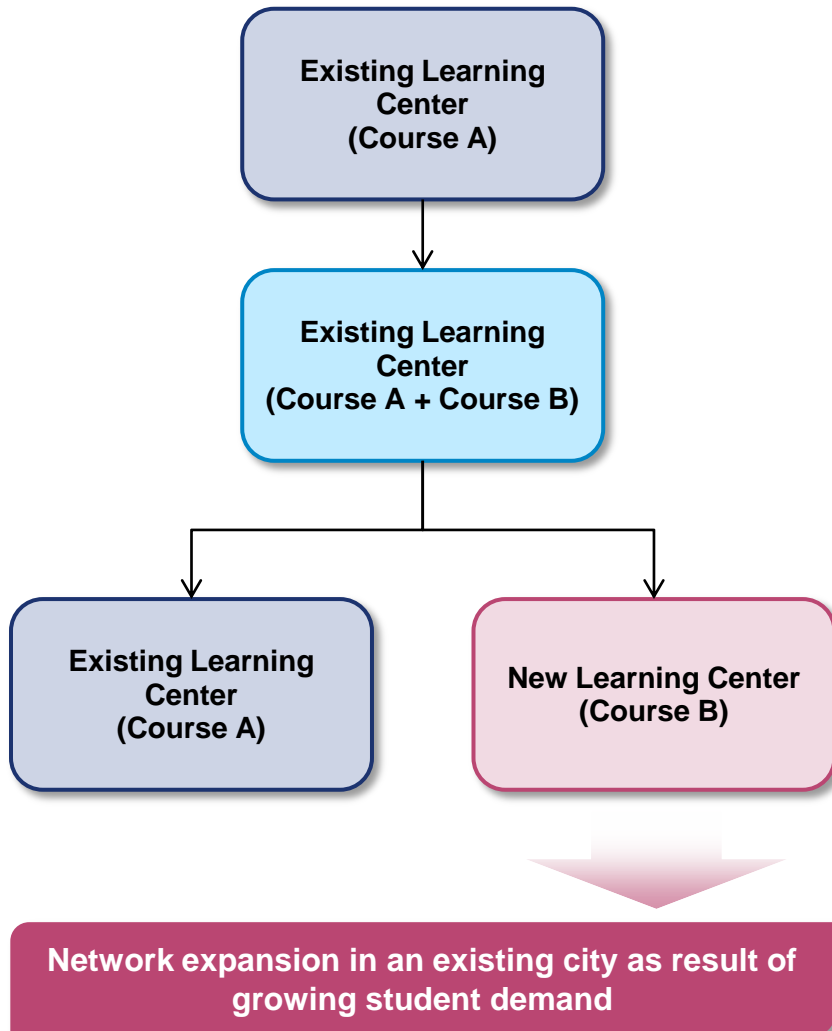
● Existing course offerings in a city as of Dec. 31 2015 ▲ New course offerings in a city in 2016Q1-Q2

▲ New course offerings in a city in 2016Q3

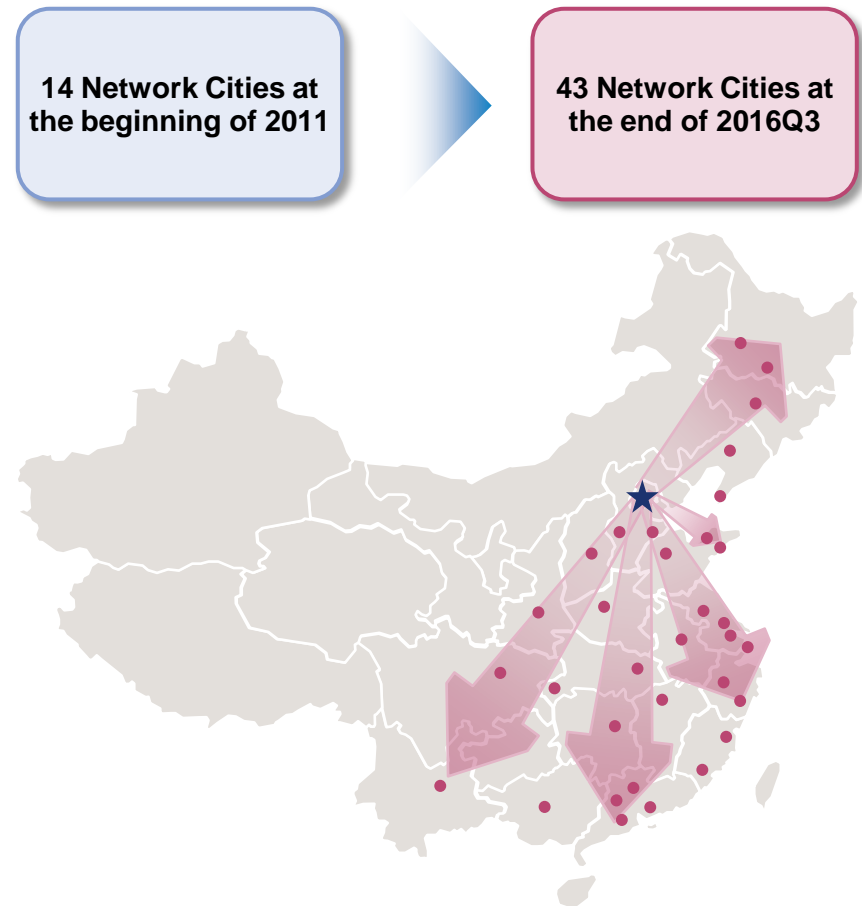
Source: Company filings

# Grow student enrollments (cont'd)

## Expansion in existing cities



















## Growing geographic footprint



# Expand course offerings

## New course offerings in every year

2016		Kids robot programming		VR/AR	Management
2015		Web front		Big data	
				Kids computer programming & digital arts	
2014		Accounting			Other new course development according to market needs
2013		Digital art		Online sales and marketing	
				Linux and network engineering	
2012		iOS			Strategic cooperation / acquisition
2011		Android			
2010		PHP			
2009		Embedded		Software testing	
				C++	
2007		.NET			
2002		Java			

## IV. Financial highlights



# Financial highlights

**1 Robust revenue growth**



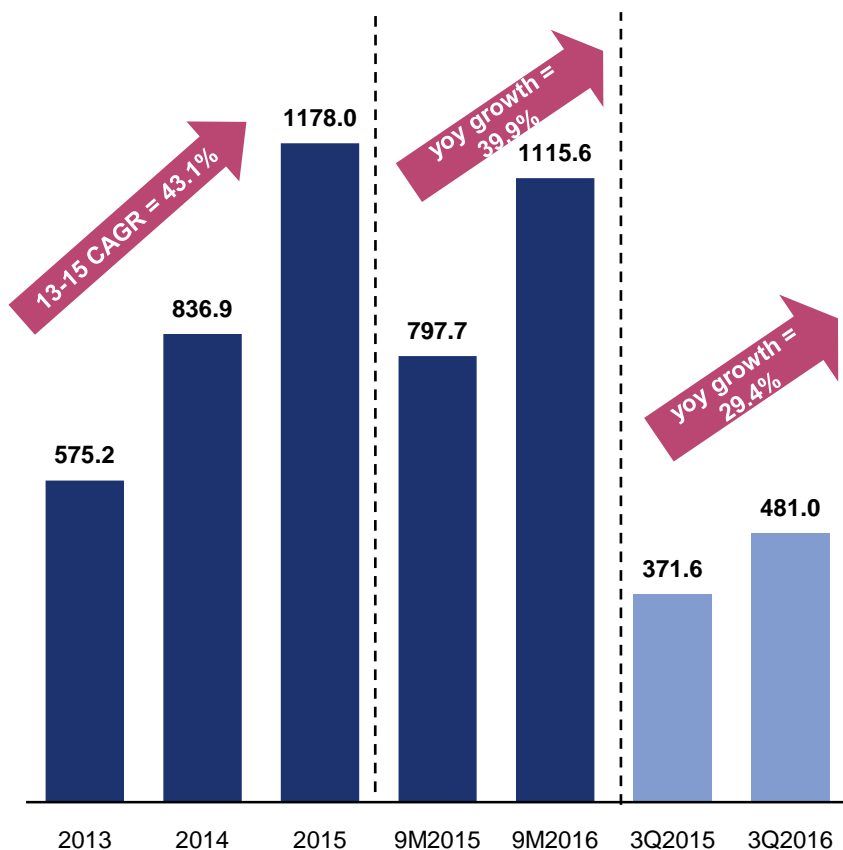
**2 Scalable business model drives profitability**

**3 Solid cash flow generation**

# Robust revenue growth

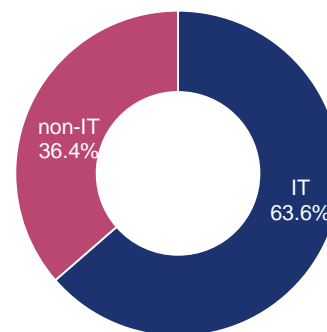
## Total net revenues<sup>1</sup>

(RMB mm)



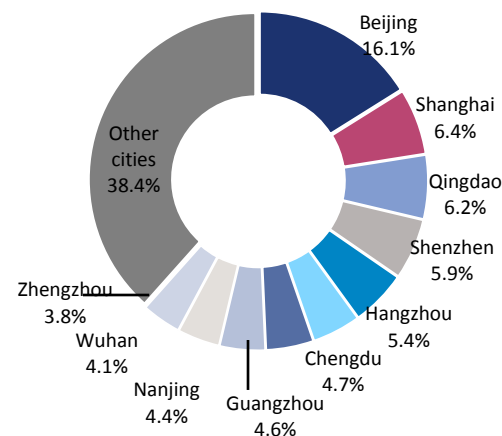
## Enrollment contribution by IT and non-IT courses

### Student enrollments by courses in 3Q2016



## Enrollment contribution by geographic markets

### Student enrollments by cities in 3Q2016

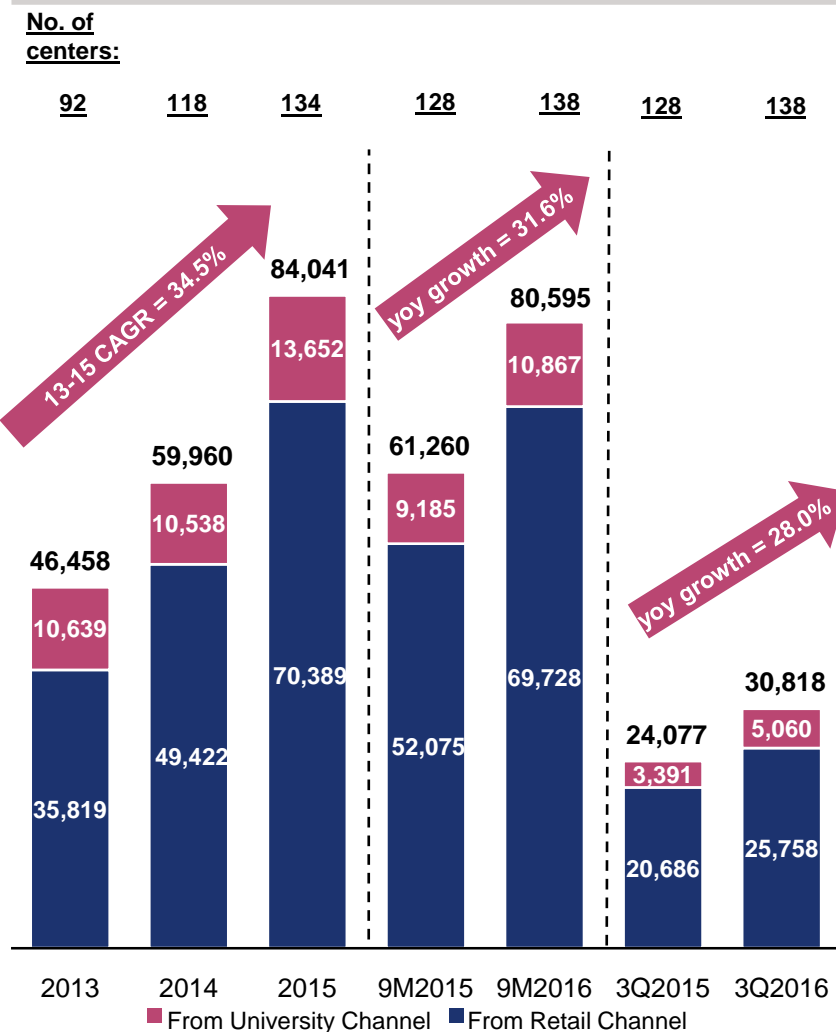


Source: Company filings

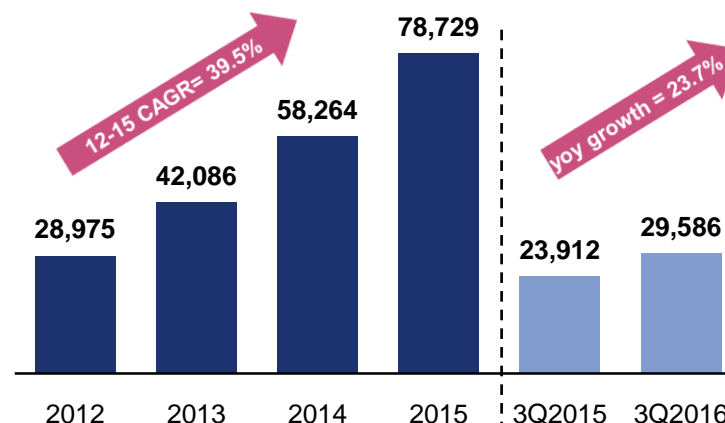
1. Including tuition fees, certification service fee, other revenues, net off business taxes and surcharges

# ...Driven by strong enrollments growth and ASP increase

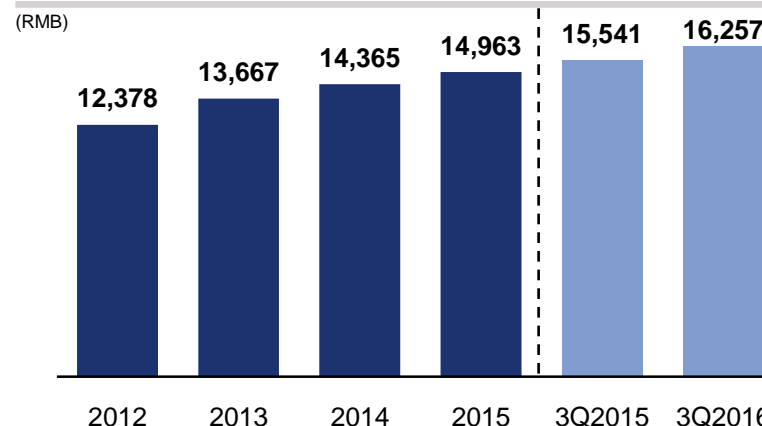
Number of student enrollments<sup>1</sup>



Number of course enrollment<sup>2</sup>



Average revenue per course enrollment<sup>3</sup>



Source: Company filings

- The number of student enrollments from university channel is calculated by multiplying the percentage of student enrollments from universities and colleges which the Company cooperated with by the total student enrollments. The percentages were disclosed as 28.3%, 22.9%, 17.6% and 16.2% in 2012, 2013, 2014 and 2015, respectively. The number of student enrollments from retail channel is calculated by deducting the student enrollments from university channel from the total student enrollments
- The number of course enrollment defined as the cumulative number of courses enrolled in by our students
- Defined as net revenues divided by course enrollment in corresponding periods

# Predicable revenue backed by historical enrollments

## Revenue Recognition

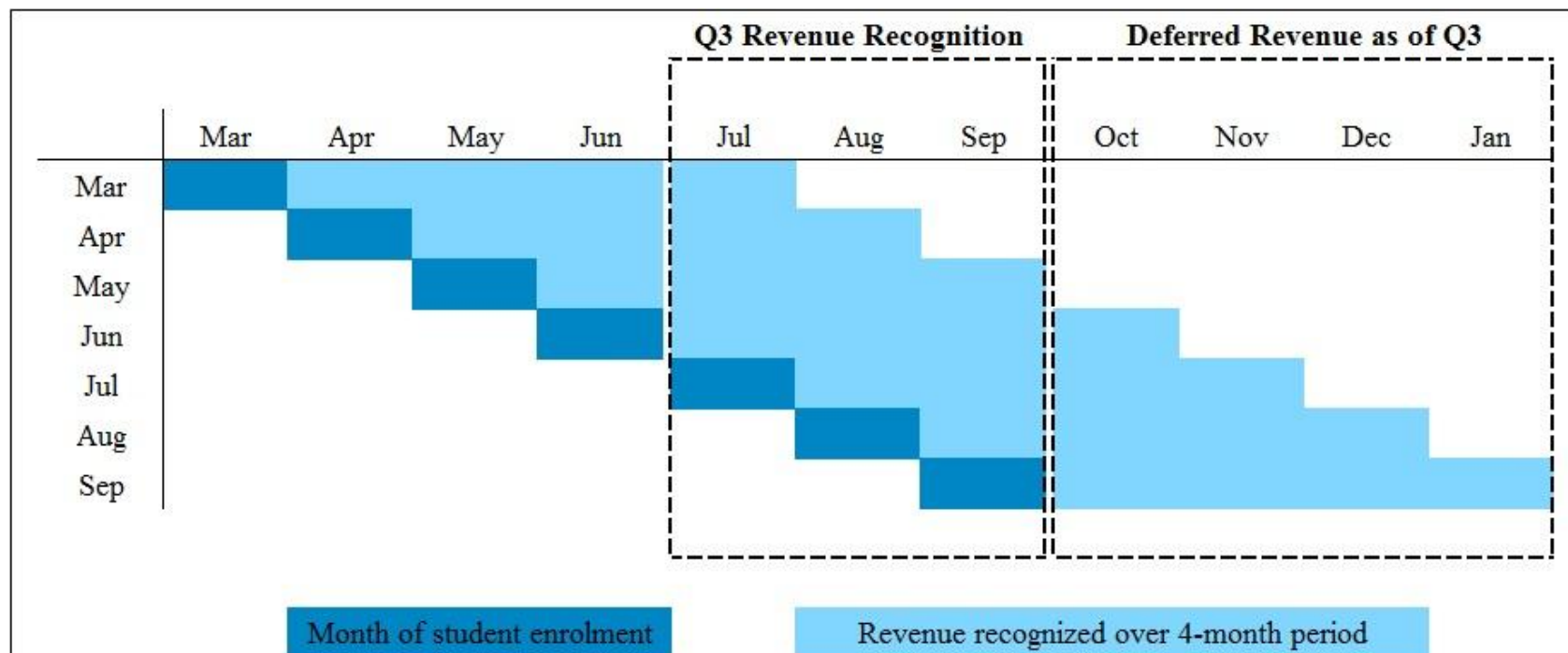


Q3 revenue is recognized based on courses delivered in this quarter to the students registered from March to August. There is a time gap between student registration and revenue recognition, as students registration is ahead of courses actually delivered.

## Deferred Revenue<sup>1</sup> Recognition



Tuition fees collected for the portion of courses not yet delivered by end of Q3 were recorded as deferred revenue. When courses are delivered in the following quarter(s), the revenue is recognized accordingly.

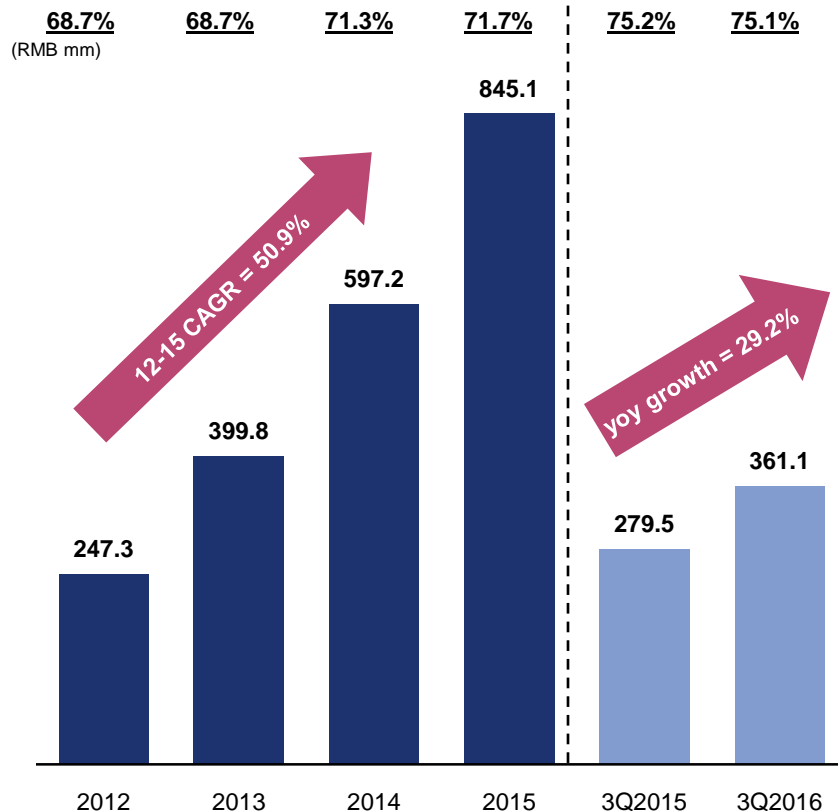


1. The company delivers full-time training courses to majority students. Normally, a course starts around month-end and lasts four to five months. Our tuition fees are recognized ratably over the period of the training course. The unearned portion of tuition fees is recorded as deferred revenue.

# Scalable business model drives profitability

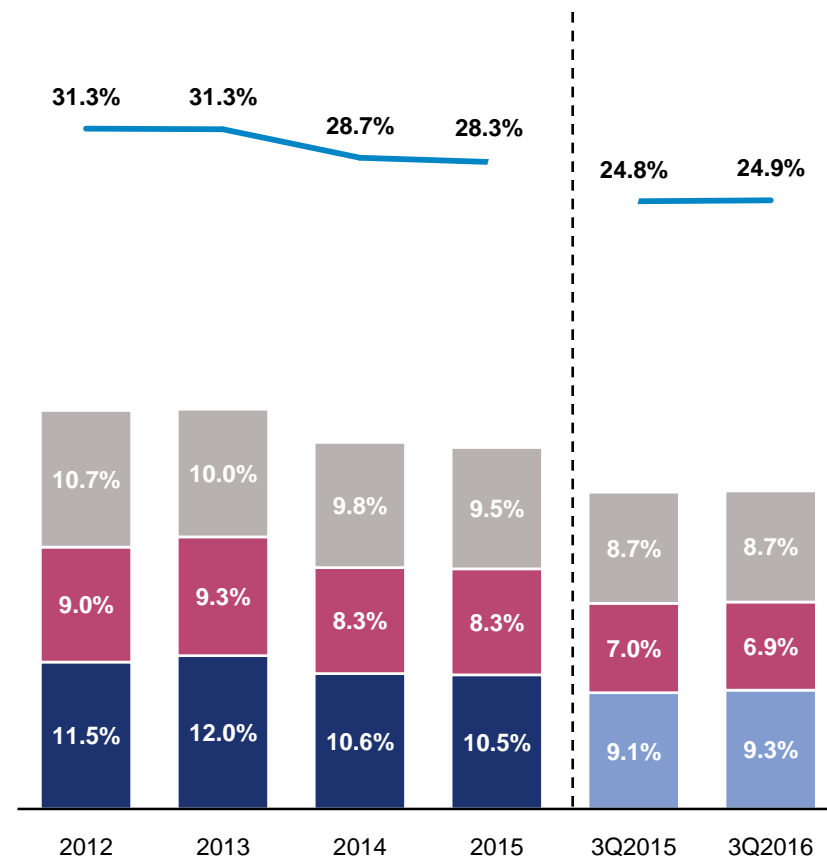
## Gross profit and margin (Non-GAAP)<sup>1</sup>

### Margin:



## Cost of revenues (Non-GAAP)<sup>1</sup>

(% of net revenues)



- Personnel Cost and Welfare as % of Net Revenues
- Rental Cost as % of Net Revenues
- Other Cost of Revenues as % of Net Revenues
- Total Cost of Revenues as % of Net Revenues

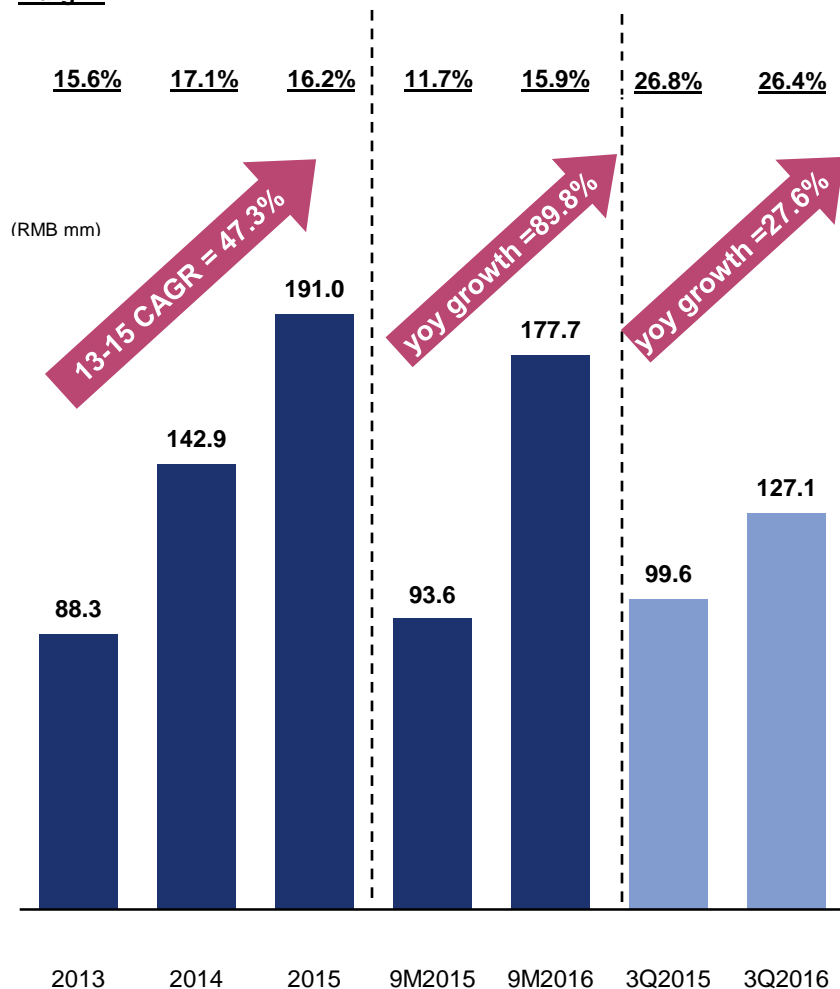
Source: Company filings

1. Non-GAAP financial measures exclude share-based compensation and gain/loss on foreign currency forward contract

# Scalable business model drives profitability (cont'd)

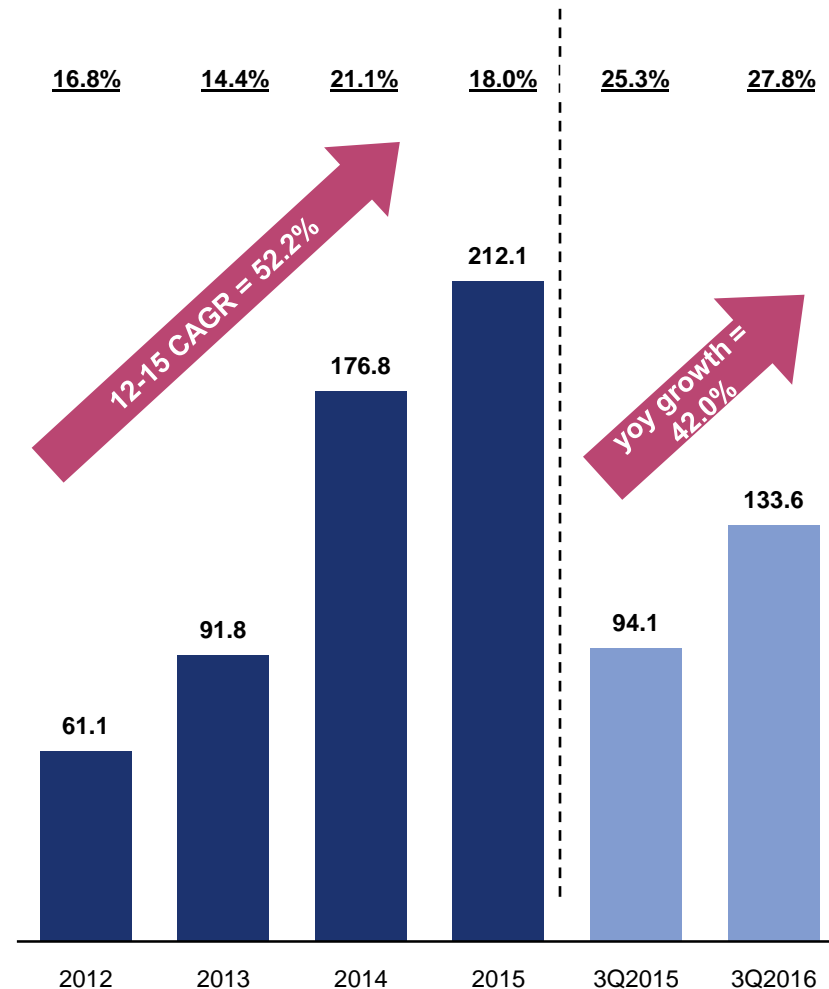
## Operating profit and margin (Non-GAAP)<sup>1</sup>

### Margin:



## Net income and margin (Non-GAAP)<sup>1</sup>

(RMB mm)



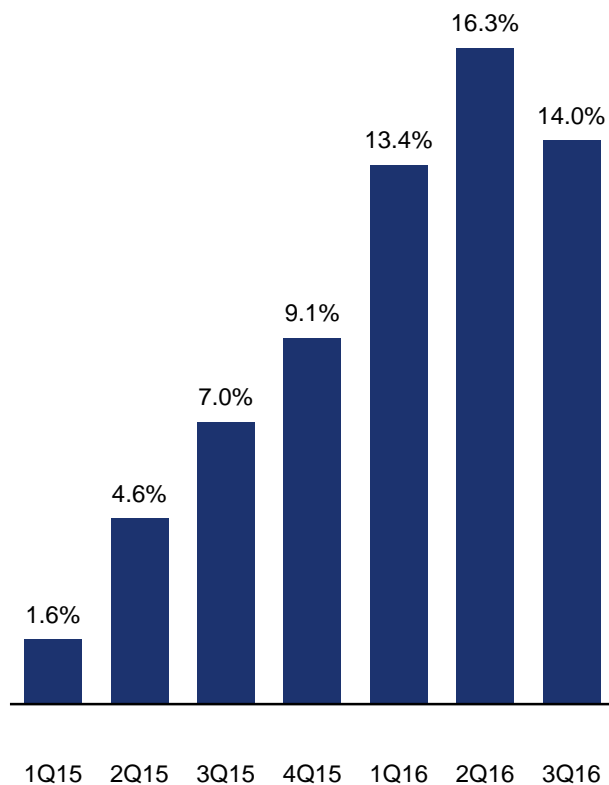
Source: Company filings

1. Non-GAAP financial measures exclude share-based compensation and gain/loss on foreign currency forward contract

# New course contribution and acquisition cost

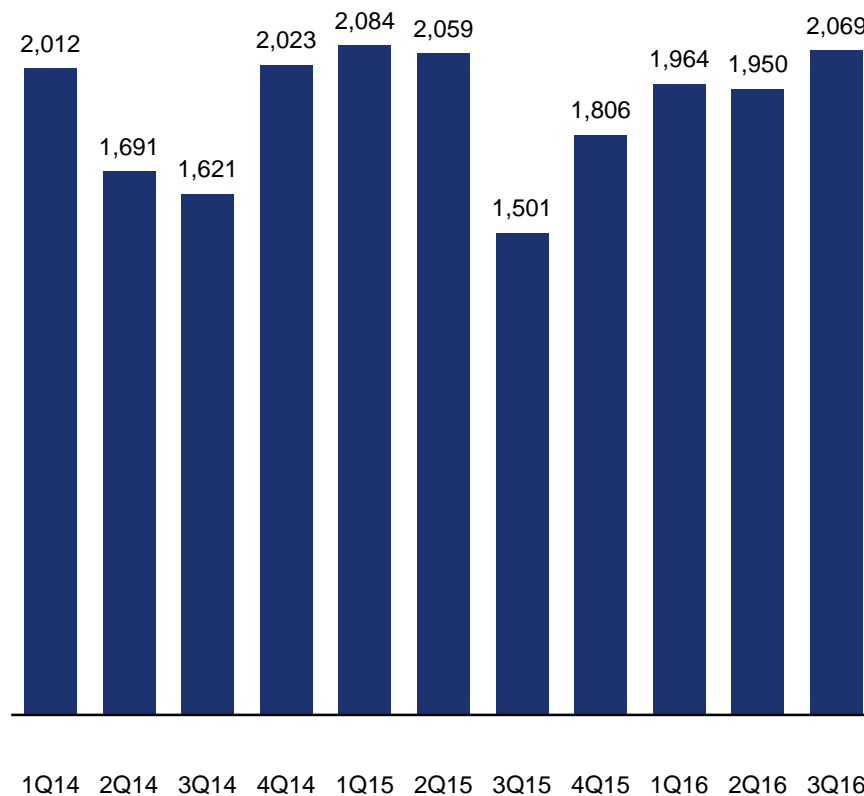
## The student enrollments in new course offerings<sup>1</sup>

(% of total student enrollments)



## Average Acquisition Cost Per Student enrollment<sup>2</sup>

(RMB)



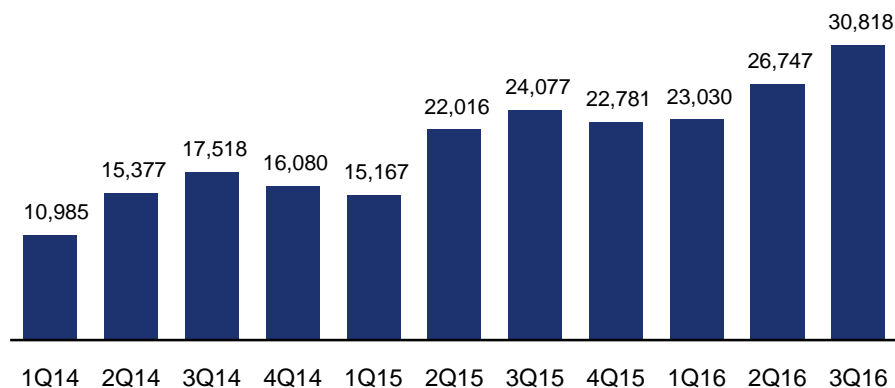
Source: Company filings

<sup>1</sup> Only calculated student enrollment from new courses in professional education services as a % of total student enrollment in each quarter. The company launched web front course in 1Q2015 and big data course in 2Q2015.

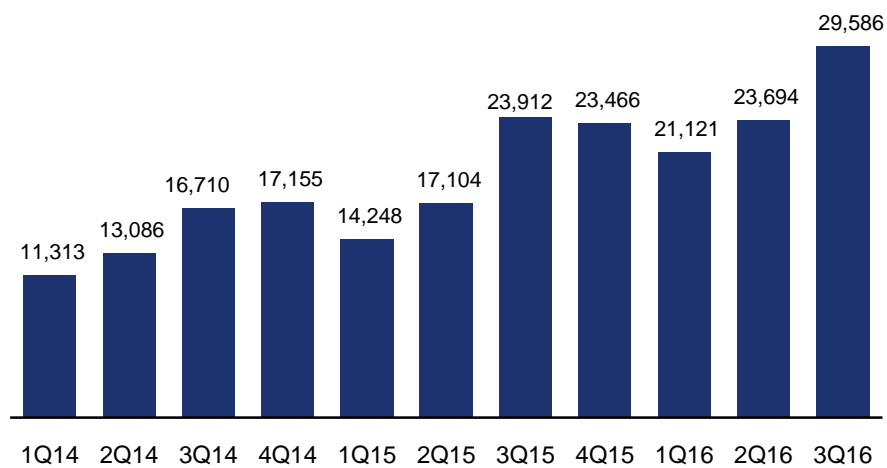
<sup>2</sup> Incl. advertising expenses, marketing expenses and recommendation expenses.

# Seasonality

## Quarterly student enrollments

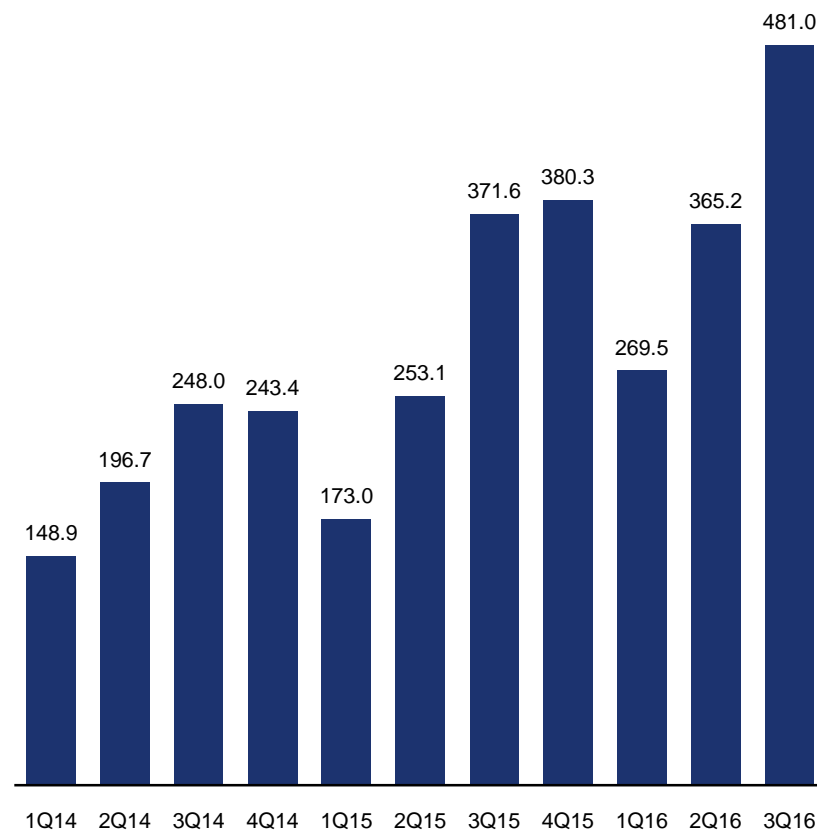


## Quarterly course enrollments



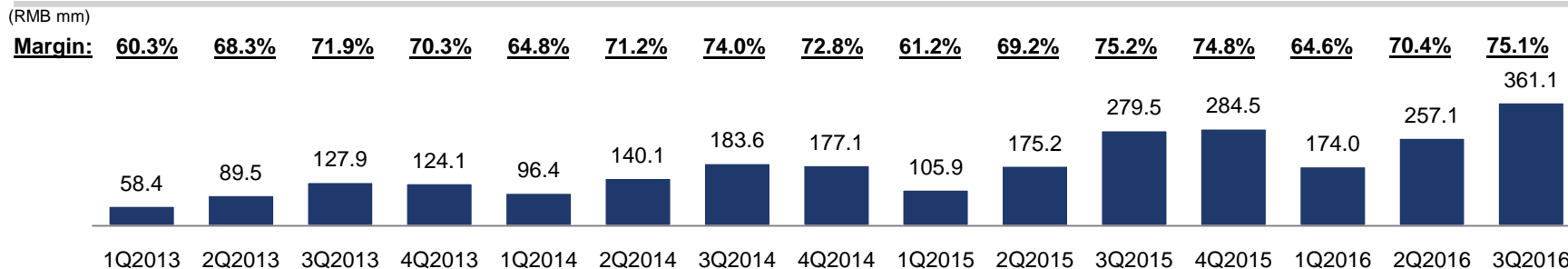
## Quarterly net revenues

(RMB mm)

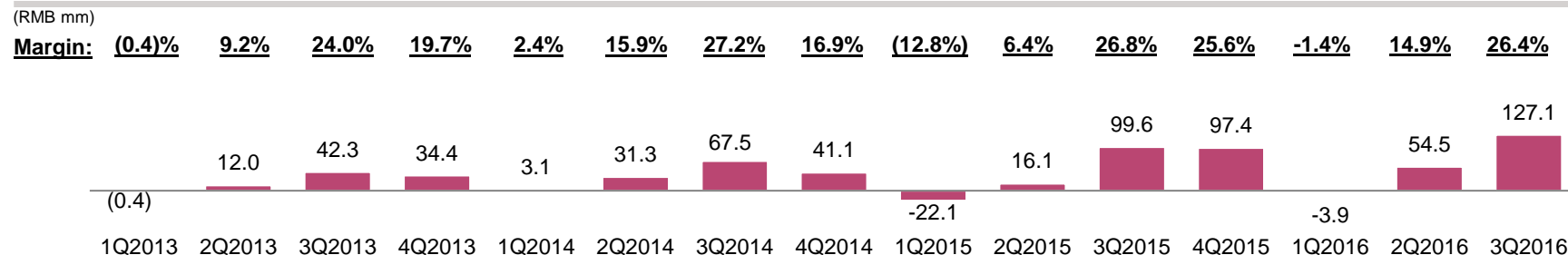


# Seasonality (cont'd)

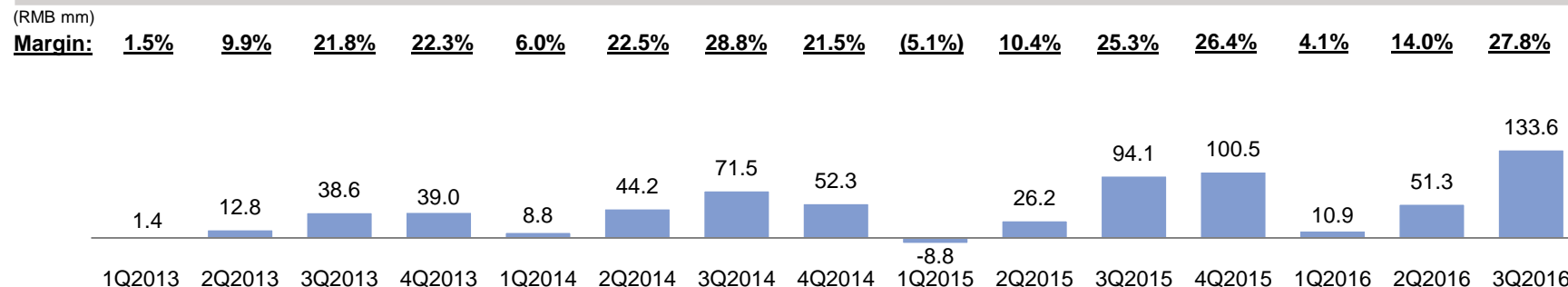
## Non-GAAP gross profit and margin<sup>1</sup>



## Non-GAAP operating profit and margin<sup>1</sup>



## Non-GAAP net profit and margin<sup>1</sup>

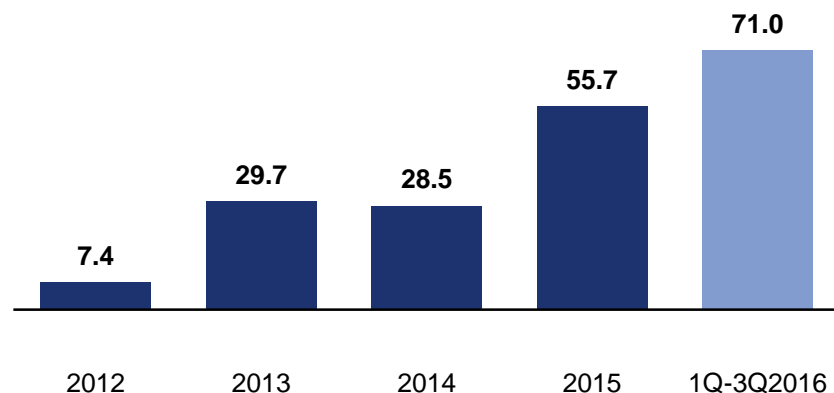


1. Non-GAAP financial measures exclude share-based compensation and gain/loss on foreign currency forward contract

# Solid cash flow generation

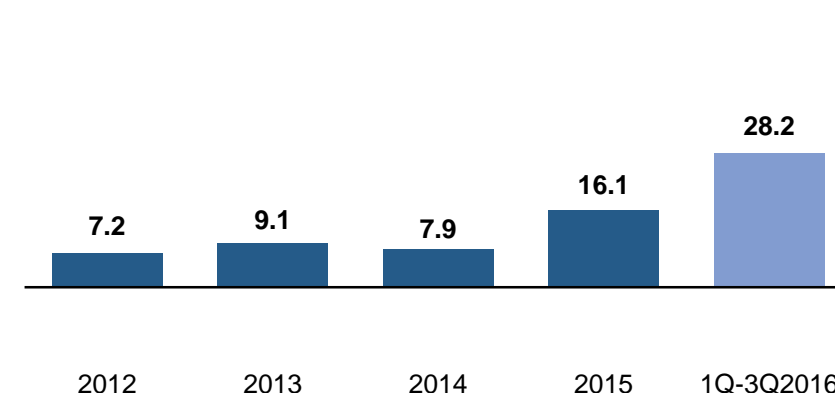
## Operating cash flow<sup>1</sup>

(US\$ mm)



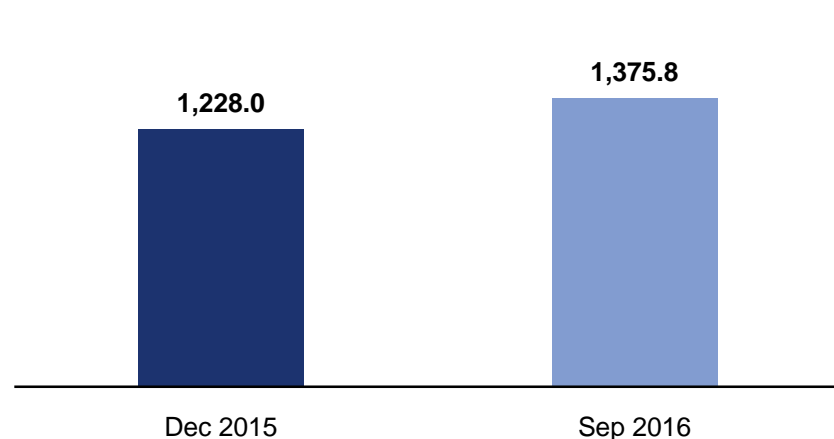
## Capital expenditure<sup>12</sup>

(US\$ mm)



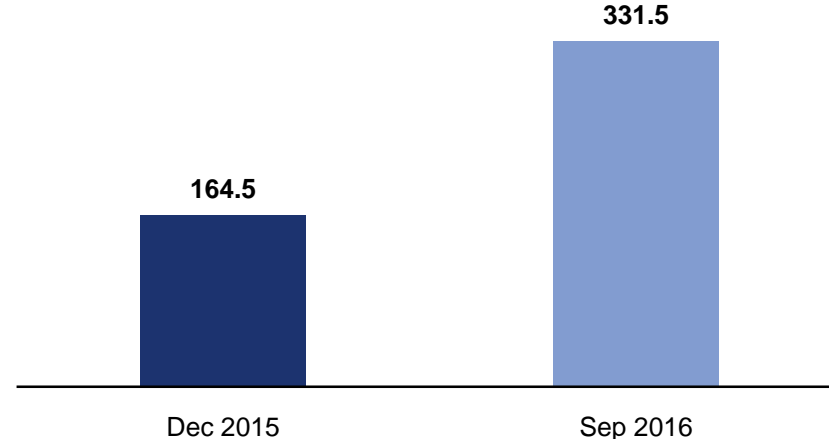
## Cash, restricted cash and time deposits

(RMB mm)



## Deferred revenue

(RMB mm)



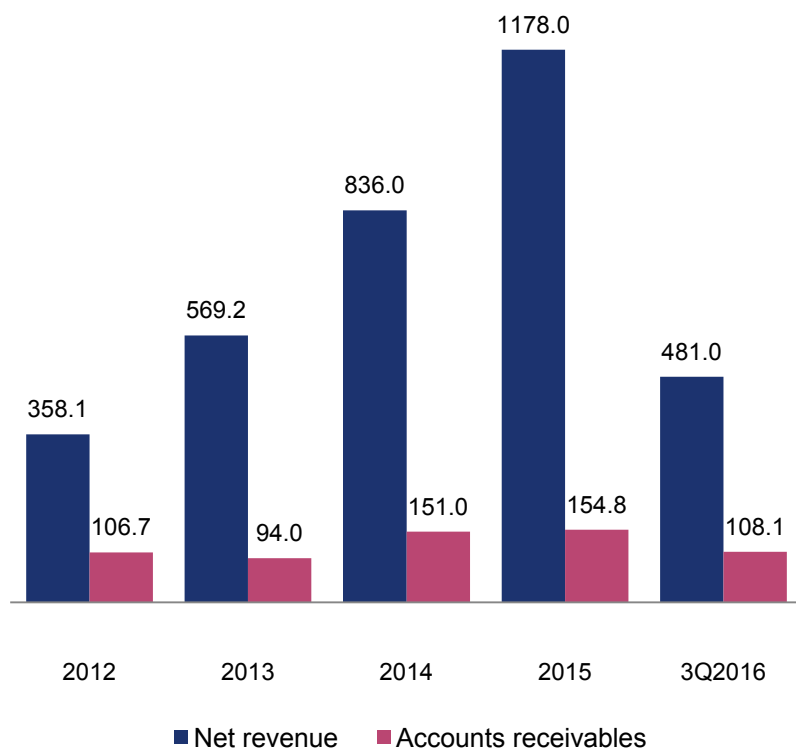
Source: Company filings

1. In 2016Q2, the company purchased an office building, mainly for teaching purpose, and to a lesser extent, for administrative functions, with a total consideration of approximately RMB114.6 million

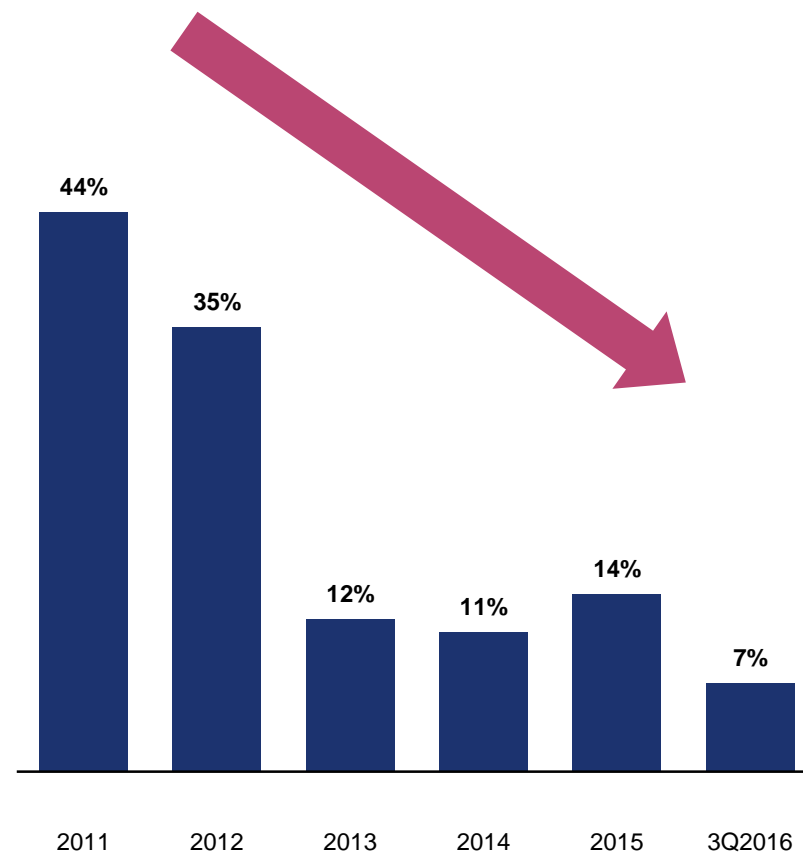
# Accounts receivables and TPET students proportion

## Accounts Receivables, net

(RMB mm)



## TPET Students Proportion<sup>1</sup>



Source: Company filings

1. Calculated as the student enrollments in installment payment plan from Tarena divided by total student enrollments

# Closing remarks

**1** Attractive market opportunities

**2** Innovative and effective education platform

**3** Scalable and efficient business model

**4** Respected brand known for high quality professional education

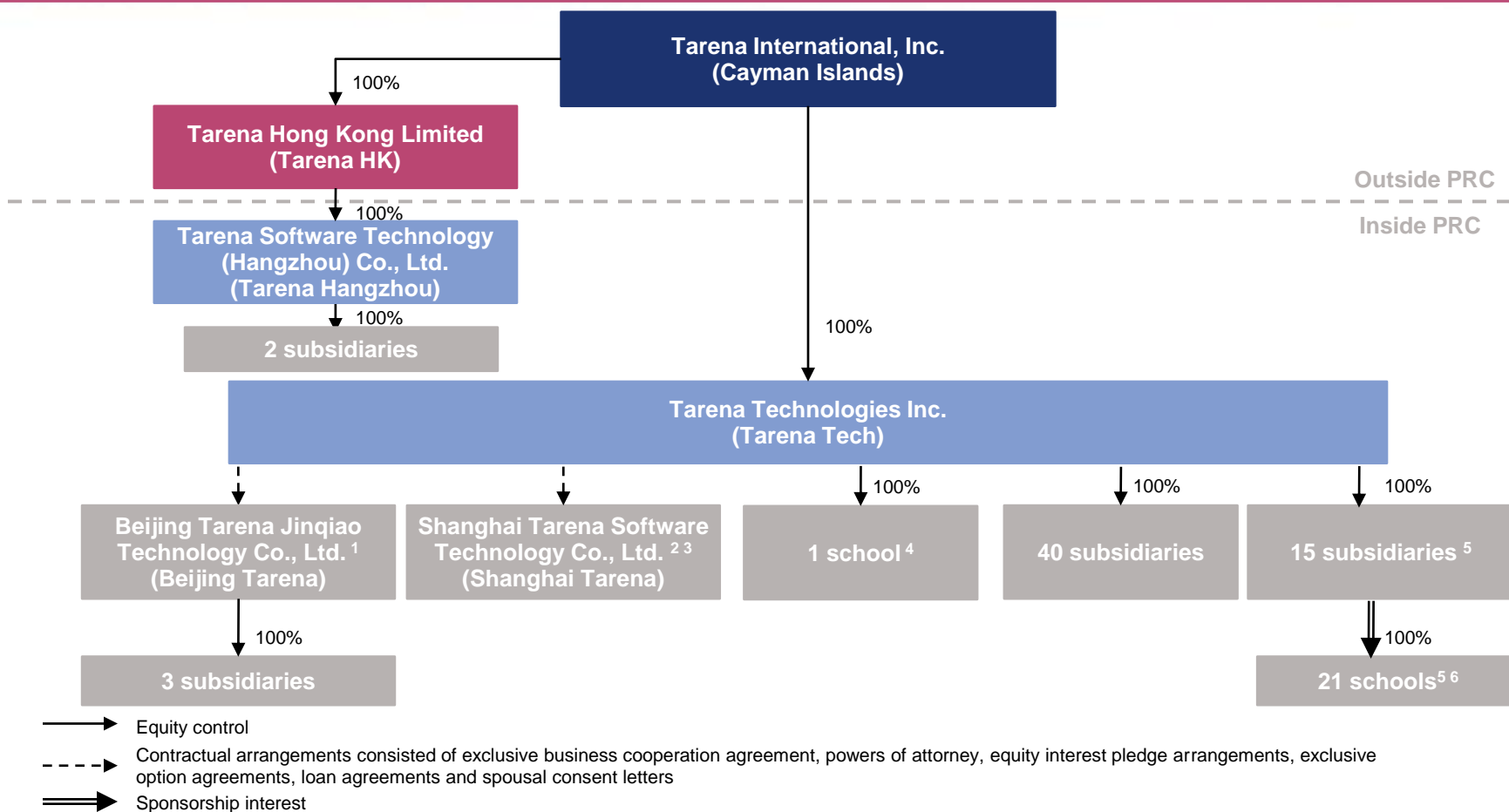
**5** Outstanding job placement record

**6** Stable and experienced management team

# Appendix A: Corporate structure



# Current corporate structure



1. Mr. Shaoyun Han, our founder, chairman and chief executive officer, owns 70% of the equity interest in Beijing Tarena. Mr. Jianguang Li, our director, owns 30% of the equity interest in Beijing Tarena

2. Mr. Shaoyun Han and Mr. Jianguang Li own 49% and 51% of the equity interest in Shanghai Tarena, respectively

3. Shanghai Tarena is in the process of voluntary winding down

4. Mr. Shaoyun Han is the principal of Weifang Tarena Professional Education School.

5. Tarena (Wuhan) Technology Co., Ltd., which is a wholly-owned subsidiary of Tarena Tech, wholly owns Wuhan Tarena Software Co., Ltd., which holds 100% of the sponsorship interest in Wuhan Tarena Professional Education School

6. Mr. Shaoyun Han is the principal of Shenyang Tarena Professional Education School, Jinan Tarena Professional Education School, Wuhan Tarena Professional Education School, Chongqing Jiulongpo Tarena Professional Education School, Kunming Tarena Professional Education School, Nanjing Tarena Professional Education School, Shenzhen Bao'an Tarena Professional Education School, Harbin Tarena Professional Education School, Zhengzhou Tarena Professional Education School, Dalian High-Tech Zone Tarena Professional Education School, Shenyang Tarena Times Professional Education School, Zhuhai Tarena Professional Education School, Chengdu High-Tech Zone Tarena Professional Education School, Chengdu Tarena Professional Education School, Wuhan Technology Tarena Professional Education School, Shenzhen LonghuaXing Tarena Professional Skills Education School and Chongqing Nan'an Tarena Professional Education School; De Xun Wang is the principal of Guangzhou Tarena Software Professional Education School; Qian Li is the principal of Qingdao Tarena Professional Education School; Yue Qin Shen is the principal of Nanjing Weishang Tarena Professional Education School; Jing Liu is the principal of Dalian Shahekou Tarena Accounting Professional Education School.

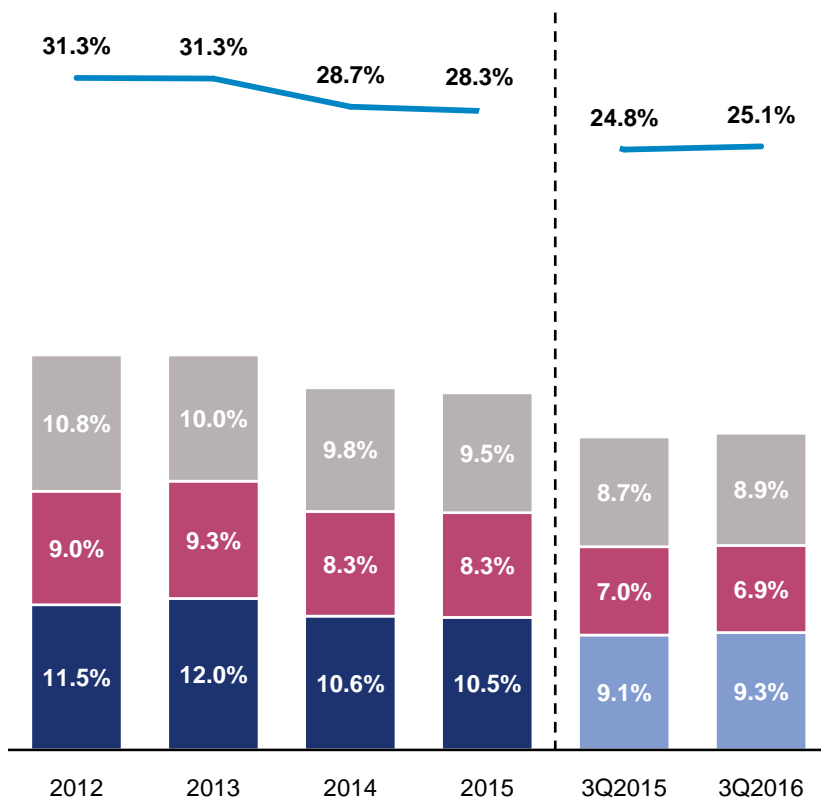
## Appendix B: Historical financials



# Cost and expenses - annual

## Cost of revenues (Non-GAAP)

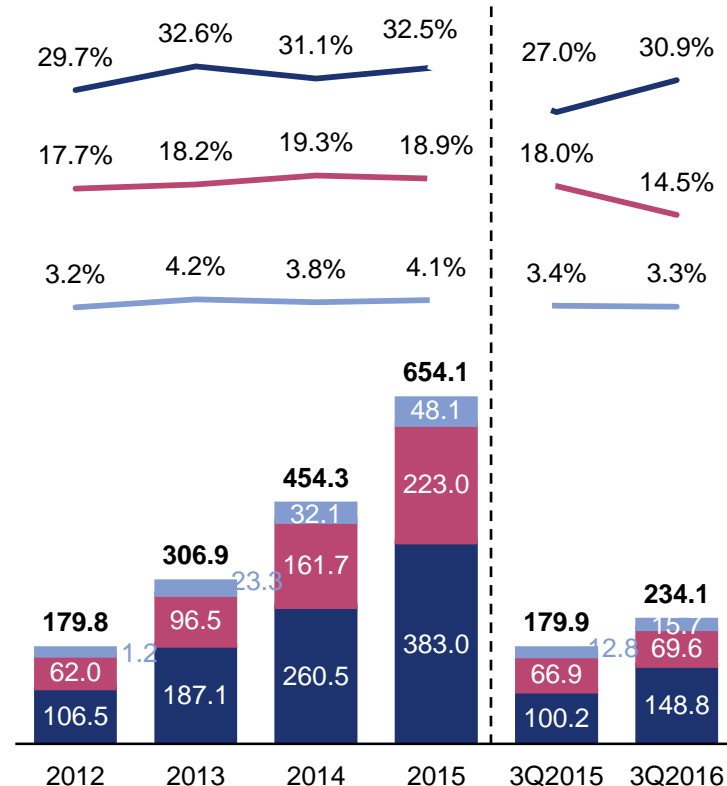
(RMB mm and as % of net revenues)



- Personnel Cost and Welfare as % of Net Revenues
- Rental Cost as % of Net Revenues
- Other Cost of Revenues as % of Net Revenues
- Total Cost of Revenues as % of Net Revenues

## Operating expenses (Non-GAAP)<sup>1</sup>

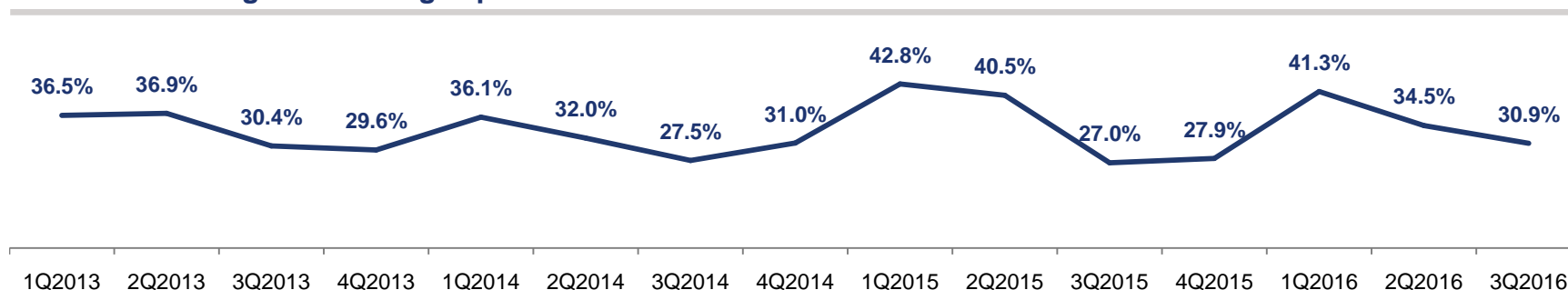
(RMB mm and as % of net revenues)



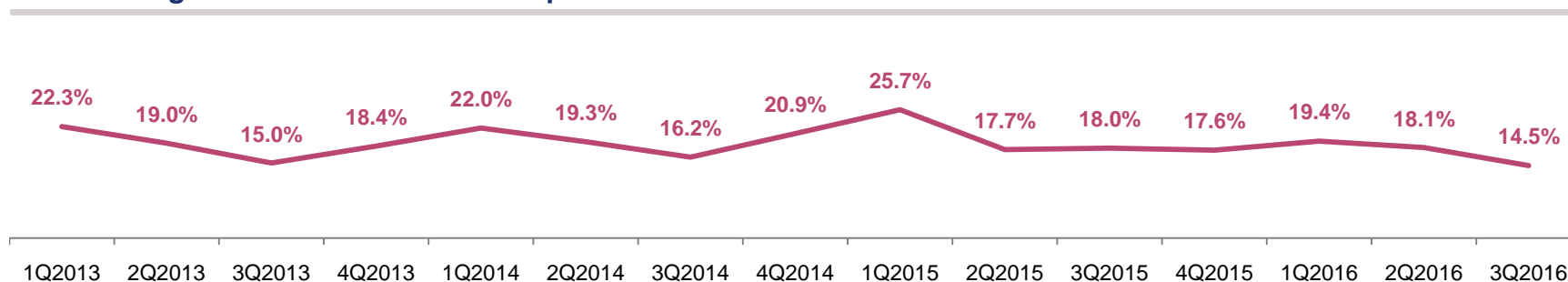
- Non-GAAP R&D Expenses
- Non-GAAP G&A Expenses
- Non-GAAP S&M Expenses
- Non-GAAP Research and Development Expenses as % of Net Revenue
- Non-GAAP General and Administrative Expenses as % of Net Revenue
- Non-GAAP Selling and Marketing Expenses as % of Net Revenue

# Quarterly operating expenses

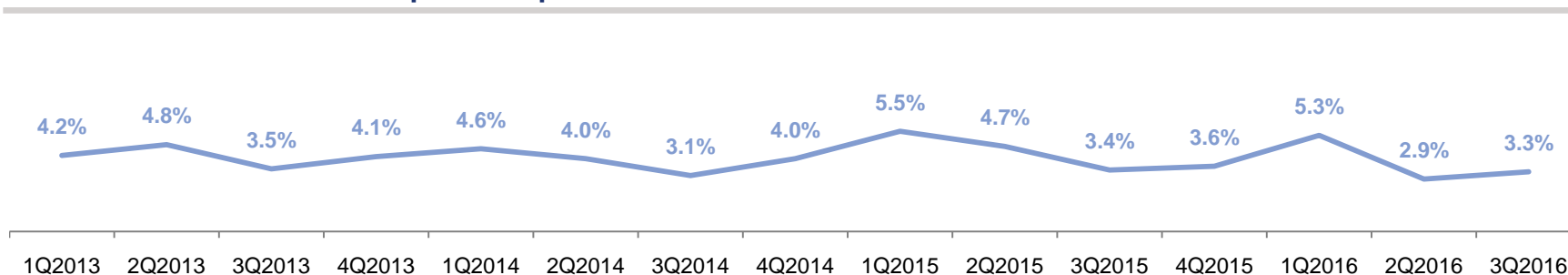
## Non-GAAP selling & marketing expenses as % of net revenue<sup>1</sup>



## Non-GAAP general & administrative expenses as % of net revenue<sup>1</sup>



## Non-GAAP research & development expenses as % of net revenue<sup>1</sup>



1. Non-GAAP financial measures exclude share-based compensation and gain/loss on foreign currency forward contract

# Summary income statement

(RMB'000)	Year ended December 31,			Three Months ended September 30,	
	2013	2014	2015	2015	2016
<b>Net revenues</b>	<b>575,170</b>	<b>836,941</b>	<b>1,178,008</b>	<b>371,605</b>	<b>480,959</b>
Cost of revenues	(180,097)	(240,084)	(333,559)	(92,237)	(120,856)
<b>Gross profit</b>	<b>395,073</b>	<b>596,857</b>	<b>844,449</b>	<b>279,368</b>	<b>360,104</b>
Selling and marketing expenses	(187,430)	(261,489)	(384,954)	(100,781)	(149,722)
General and administrative expenses	(100,518)	(183,998)	(251,298)	(74,244)	(79,774)
Research and development expenses	(23,588)	(33,454)	(50,515)	(13,338)	(16,807)
<b>Operating income(loss)</b>	<b>83,536</b>	<b>117,915</b>	<b>157,682</b>	<b>91,004</b>	<b>113,801</b>
Interest income	9,549	26,802	42,732	12,985	4,252
Interest expense	—	—	—	—	—
Exchange gain and loss	—	7,359	(29,499)	(20,996)	1,264
Other income <sup>1</sup>	8,019	14,568	11,812	4,052	5,721
<b>Income(loss) before income taxes</b>	<b>101,104</b>	<b>166,644</b>	<b>182,726</b>	<b>87,046</b>	<b>125,038</b>
Income tax expense	(14,072)	(14,794)	3,967)	(1,566)	(4,739)
<b>Net income</b>	<b>87,031</b>	<b>151,850</b>	<b>178,760</b>	<b>85,481</b>	<b>120,299</b>

1. Include government grant, investment income and gain/loss on foreign currency forward contract

# Summary balance sheet

(RMB '000)

	31-Dec-14	31-Dec-15
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	261,035	513,938
Time deposits	653,723	449,878
Restricted cash		150,000
Accounts receivable, net of allowance for doubtful accounts	141,864	146,999
Amounts due from related parties	412	
Prepaid expenses and other current assets	53,007	66,104
Deferred income tax assets	12,578	10,180
<b>Total current assets</b>	<b>1,122,620</b>	<b>1,326,918</b>
Time deposits	105,939	114,227
Accounts receivable, net of allowance for doubtful accounts	9,107	7,771
Property and equipment, net	81,835	127,864
Long-term Investment	-	24,000
Other non-current assets	14,161	53,111
<b>Total assets</b>	<b>1,333,662</b>	<b>1,653,891</b>
<b>LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS'EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	1,953	4,413
Amounts due to a related party	-	879
Income taxes payable	33,006	56,293
Deferred revenue	117,954	164,524
Accrued expenses and other current liabilities	51,641	79,835
<b>Total current liabilities</b>	<b>204,553</b>	<b>305,944</b>
Other non-current liabilities	10,021	9,333
<b>Total liabilities</b>	<b>214,575</b>	<b>315,277</b>
<b>Commitments and contingencies</b>	-	-
<b>Shareholders' equity (deficit):</b>		
Class A ordinary shares	146	309
Class B ordinary shares	209	65
Treasury stock <sup>(a)</sup>	-	(49,355)
Additional paid-in capital	851,662	907,018
Accumulated other comprehensive income(loss)	(4,515)	30,232
Retained earnings	271,585	450,345
<b>Total shareholders' equity</b>	<b>1,119,087</b>	<b>1,338,614</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,333,662</b>	<b>1,653,891</b>

# Summary cash flow statement

(US\$ '000)	Year ended December 31,		
	2013	2014	2015
<b>Operating activities:</b>			
Net income	\$14,047	\$24,691	\$28,709
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation	4,654	7,078	8,830
Bad debt expense	941	7,487	10,134
Loss (gain) on disposal of property and equipment	66	179	80
Deferred income tax (benefit) /expense	(1,052)	(683)	(3,471)
Share based compensation expense	765	4,062	5,287
Foreign currency exchange loss, net	197	(1,075)	4,738
Accounts receivable	1,117	(16,762)	(10,744)
Prepaid expenses and other current assets	(535)	(2,496)	(2,932)
Accrued interest income on time deposits	(331)	(2,863)	(105)
Other non-current assets	(473)	(652)	(603)
Accounts payable	(7)	(45)	86
Income taxes payable	1,422	2,384	3,740
Deferred revenue	5,444	3,830	7,479
Accrued expenses and other current liabilities	3,394	1,930	4,645
Other non-current liabilities	55	1,395	(169)
Advances to a related party	—	—	140
Collection of advances from a related party	—	—	—
<b>Net cash provided by (used in) operating activities</b>	<b>\$29,706</b>	<b>\$28,460</b>	<b>\$55,843</b>
<b>Investing activities:</b>			
Purchase of property and equipment	(\$9,109)	(\$7,879)	(\$16,054)
Proceeds from disposal of property and equipment	50	156	169
Purchase of short term investment	(11,298)	(101,390)	(151,768)
Proceeds from maturity of short term investment	11,298	101,390	151,768
Payment for long-term investment	—	—	(4,015)
Purchase of time deposits	(17,286)	(115,281)	(102,627)
Proceeds from maturity of time deposits	6,456	3,635	110,855
Issuance of loans to employees	(340)	(496)	(197)
Proceeds from repayment of housing loans from employees	691	407	254
<b>Net cash used in investing activities</b>	<b>(\$19,537)</b>	<b>(\$119,459)</b>	<b>(\$11,615)</b>
<b>Financing activities:</b>			
Proceeds from bank borrowings	—	—	—
Repayments of bank borrowings	—	—	—
Amounts received on behalf of a related party	141	—	—
Repayment of amounts received on behalf of a related party	(233)	—	—
Advances from a related party	153	—	230
Repayment of advances from a related party	(153)	—	(230)
Issuance of Class A ordinary shares in connection with exercise of share options	—	249	3,606
Payment of issuance cost of Series C convertible redeemable preferred shares	—	—	—
Payment of IPO costs	(499)	(3,532)	—
Payment of treasury stock	—	—	(7,739)
<b>Net cash provided by financing activities</b>	<b>(\$591)</b>	<b>\$106,472</b>	<b>(\$4,132)</b>
<b>Effect of foreign currency exchange rate changes on cash</b>	<b>364</b>	<b>1,047</b>	<b>(3,610)</b>
Net increase (decrease) in cash	\$9,942	\$16,521	\$36,486
<b>Cash at beginning of year</b>	<b>\$16,197</b>	<b>\$26,139</b>	<b>\$42,660</b>
<b>Cash at end of year</b>	<b>\$26,139</b>	<b>\$42,660</b>	<b>\$79,145</b>