



Investor Presentation

May 2022

Disclaimer

This Presentation (together with oral statements made in connection herewith, the “Presentation”) is for informational purposes only to assist prospective purchasers in a private placement in making their own evaluation with respect to the proposed business combination (the “Business Combination”) between EdtechX Holdings Acquisition Corp. II (“EdtechX”) and zSpace, Inc. (“zSpace”), and the proposed private placement of securities of EdtechX in connection with the Business Combination. This Presentation does not constitute an offer to sell, a solicitation of an offer to buy, or a recommendation to purchase any equity, debt or other financial instruments of EdtechX or zSpace.

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Forward Looking Information

Certain statements in this Presentation may be considered “forward-looking statements” within the meaning of the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements herein generally relate to future events or the future financial or operating performance of EdtechX, zSpace or the combined company expected to result from the Business Combination (the “Combined Company”). For example, projections of future financial performance of zSpace and the Combined Company, the Combined Company’s business plan, other projections concerning key performance metrics, the proceeds of the Business Combination and the Combined Company’s expected cash runway, and the potential effects of the Business Combination on EdtechX and the Combined Company, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may,” “should,” “expect,” “intend,” “will,” “estimate,” “anticipate,” “believe” “predict,” “project,” “target,” “plan,” or “potentially” or the negatives of these terms or variations of them or similar terminology. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward-looking statements.

These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by EdtechX, zSpace and its management, as the case may be, are inherently uncertain and subject to material change. New risks and uncertainties may emerge from time to time, and it is not possible to predict all risk and uncertainties. Factors that may cause actual results to differ materially from current expectations include, but are not limited to, various factors beyond management’s control, including general economic conditions and other risks, uncertainties and factors set forth in the section entitled “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in EdtechX’s final prospectus relating to its initial public offering, dated December 10, 2020, its Annual Report on Form 10-K for the year ended December 31, 2021, and other filings with the Securities and Exchange Commission (“SEC”), as well as factors associated with companies, such as zSpace, that are engaged in the business of educational technology, including anticipated trends, growth rates, and challenges in those businesses and in the markets in which they operate, including the factors described in the summary risk factors that will accompany this Presentation; macroeconomic conditions related to the global COVID-19 pandemic; the failure to realize the anticipated benefits of the Business Combination; the failure by zSpace to complete any current pending or future contemplated acquisitions; the amount of redemption requests made by EdtechX’s public stockholders; EdtechX’s ability to procure private placement subscriptions in connection with the Business Combination sufficient to satisfy zSpace’s business objectives. Nothing in this Presentation should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements in this Presentation, which speak only as of the date they are made and are qualified in their entirety by reference to the cautionary statements herein.

Additional Information

Use of Projections

This Presentation contains projected financial information with respect to zSpace. Such projected financial information constitutes forward-looking information, is for illustrative purposes only and should not be relied upon as being predictive of future results. The assumptions and estimates underlying such financial forecast information are inherently uncertain and are subject to a wide variety of significant business, economic, competitive and other risks and uncertainties that could cause actual results to differ materially from those contained in such prospective financial information, including without limitation, assumptions regarding EdtechX's and zSpace's ability to consummate the Business Combination and zSpace's pending acquisitions, the failure of which to materialize could cause actual results to differ materially from those contained in the prospective financial information. EdtechX and zSpace caution that their assumptions may not materialize and that current economic conditions render such assumptions, although believed reasonable at the time they were made, subject to greater uncertainty. See the section above titled "Forward-Looking Statements". The inclusion of financial forecast information in this Presentation should not be regarded as a representation by any person that the results reflected in such forecasts will be achieved. Neither EdtechX's nor zSpace's independent auditors have audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this Presentation or any other purpose, and accordingly, none of such independent auditors has expressed any opinion or provided any other form of assurance with respect to such projections.

Financial Information

The financial information and data contained in this Presentation, including the Non-GAAP Financial Measures referred to below, is unaudited and does not conform to Regulation S-X promulgated under the Securities Act of 1933, as amended (the "Securities Act"). Accordingly, such information and data may not be included in, may be adjusted in or may be presented differently in, any registration statement that may be filed in connection with the potential Business Combination.

Use of Non-GAAP Financial Measures

This Presentation includes non-GAAP financial measures. EdtechX and zSpace believe that these non-GAAP measures are useful to investors for two principal reasons. First, they believe these measures may assist investors in comparing performance over various reporting periods on a consistent basis by removing from operating results the impact of items that do not reflect core operating performance. Second, these measures are used by zSpace's management to assess its performance. EdtechX and zSpace believe that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends. These non-GAAP measures should not be considered in isolation from, or as an alternative to, financial measures determined in accordance with GAAP. Other companies may calculate these non-GAAP financial measures differently, and therefore, such financial measures may not be directly comparable to similarly titled measures of other companies.

Additional Information

In connection with the proposed Business Combination, EdtechX intends to file with the SEC a registration statement on Form S-4 containing a preliminary proxy statement/prospectus of EdtechX and consent solicitation statement of zSpace, and after the registration statement is declared effective, EdtechX and zSpace will mail a definitive proxy statement/prospectus/consent solicitation statement relating to the proposed Business Combination to their respective stockholders. This Presentation does not contain any information that should be considered by EdtechX's or zSpace's stockholders concerning the proposed Business Combination and is not intended to constitute the basis of any voting or investment decision in respect of the Business Combination or the securities of EdtechX. EdtechX's and zSpace's stockholders and other interested persons are advised to read, when available, the preliminary proxy statement/prospectus/consent solicitation statement and the amendments thereto and the definitive proxy statement/prospectus/consent solicitation statement and other documents filed in connection with the proposed Business Combination, as these materials will contain important information about EdtechX, zSpace and the Business Combination. When available, the definitive proxy statement/prospectus/consent solicitation statement and other relevant materials for the proposed Business Combination will be mailed to stockholders of EdtechX and zSpace as of a record date to be established for voting on the proposed Business Combination. Stockholders will also be able to obtain copies of the preliminary proxy statement/prospectus/consent solicitation statement, the definitive proxy statement/prospectus/consent solicitation statement and other documents filed with the SEC, without charge, once available, at the SEC's website at www.sec.gov, or by directing a request to: EdtechX Holdings Acquisition Corp. II, 22 Soho Square, London, W1D 4NS, United Kingdom.

Additional Information

Participants in the Solicitation

EdtechX, zSpace and their respective directors and executive officers may be deemed participants in the solicitation of proxies from EdtechX's stockholders with respect to the proposed Business Combination. A list of the names of EdtechX's directors and executive officers and a description of their interests in EdtechX is contained in EdtechX's final prospectus relating to its initial public offering, dated December 10, 2021, which was filed with the SEC and is available free of charge at the SEC's web site at www.sec.gov, or by directing a request to EdtechX Holdings Acquisition Corp. II, 22 Soho Square, London, W1D 4NS, United Kingdom. Additional information regarding the interests of the participants in the solicitation of proxies from EdtechX's stockholders with respect to the proposed Business Combination will be contained in the proxy statement/prospectus for the proposed Business Combination when available.

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Certain information contained in this Presentation relates to or is based on studies, publications, surveys and zSpace's own internal estimates and research. In addition, all of the market data included in this Presentation involves a number of assumptions and limitations, and there can be no guarantee as to the accuracy or reliability of such assumptions. Finally, while zSpace believes its internal research is reliable, such research has not been verified by any independent source and none of zSpace, nor any of its affiliates nor any of its control persons, officers, directors, employees or representatives make any representation or warranty with respect to the accuracy of such information.

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EdtechX Holdings Acquisition Corp. II: Edtech & Future of Work-Focused SPAC With a “SPAC for Good” Impact Mandate



EdTechX Holdings (NASDAQ : EDTXU), a new member of the Nasdaq family, has launched a #SPACsForGood campaign.

Lead by Benjamin Vedrenne-Cloquet and Charles McIntyre, the campaign is an invitation to other SPACs founders and teams to support endowments involved in education, health, environment, diversity and tech inclusion.

Learn more: spr.ly/6018H02Dq



EdtechX ESG & Impact Assessment Methodology

1. Reach & Affordability
2. Quality of Education / Training & Gainful of Skills & Employment
3. Efficacy & Sustainability
4. Customer Privacy & Data Security
5. Responsible Selling and Marketing Practices
6. Employee Engagement, Diversity & Inclusion
7. Business Ethics & Competitive Behavior ""

zSpace: Pioneering the "Eduverse"

zSpace's immersive AR/VR technology unites education with the metaverse, providing students with equitable access to innovative, engaging learning experiences.



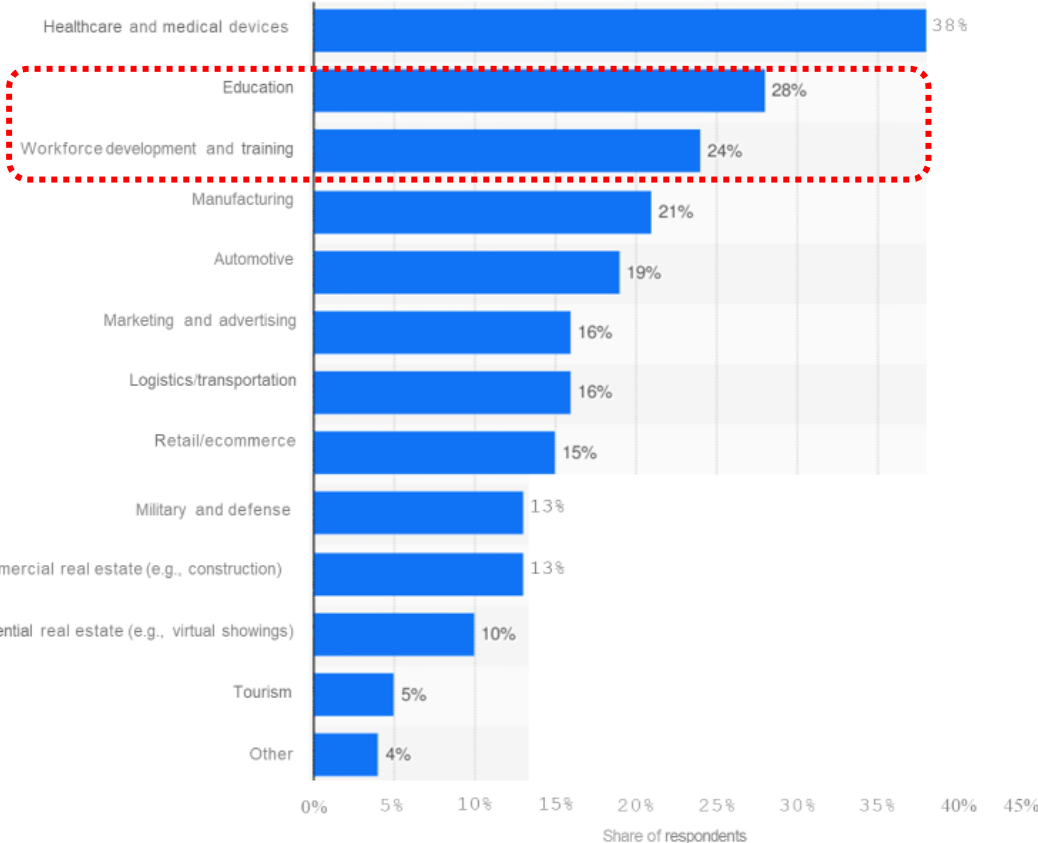
Global AR, VR, and mixed reality (MR) market¹ :

**\$250b
by 2028
(vs. \$28b in 2021)**

Spending on AR and VR in Education market globally² :

**\$12.6 billion in 2025
CAGR of 32%**

Sectors expected to witness the most disruption by immersive technologies over the next 12 months according to XR/AR/VR industry experts in the United States



Sources: Perkins Coie; XRA; Boost IFC © Statista 2021
Additional Information: Worldwide; United States; Perkins Coie; XRA; Boost IFC; January to February, 2020; 191 respondents in the U.S.; Online survey



1) Source: <https://www.statista.com/statistics/591181/global-augmented-virtual-reality-market-size/>
 2) Holon IQ : <https://www.holoniq.com/edtech/10-charts-that-explain-the-global-education-technology-market/>

Transaction Overview - zSpace

(\$millions, except share price)

Combined Pro forma ⁽¹⁾	zSpace Shareholder Rollover Equity	Committed Anchor PIPE @ \$10.15 ⁽²⁾	Extended Lock-Up ⁽³⁾	Earnout / Escrow Shares ⁽⁴⁾
Enterprise Value \$195M Market Cap \$319M	100%	\$25M	6 to 18 months	zSpace - 28.5% SPAC Sponsor - Up to 50%
Estimated Growth Profile FY21-FY24E ⁽⁵⁾	TEV / 23E Rev. At Deal	Listed Peer Group TEV / 23E Rev. (median) ⁽⁶⁾	SPAC Cash in Trust / Min Cash Closing Condition ⁽⁷⁾	Use of Net Proceeds ⁽⁸⁾
Revenue: 47% CAGR ARR: 62% CAGR Q1/22 Vs Q1/21 + 59% in Bookings	3.5x FY23E Revenues (\$56M) 4.2x with earnout	~4.6x (EdTech peers) ~6.2x (Metaverse/AR/VR peers)	\$117m / \$24m	100% Primary <ul style="list-style-type: none"> Organic Growth M&A Software

(1) See Illustrative Transaction Summary - Assumes no redemption.

(2) Anchor PIPE from GII, Kuwait Investment Authority. Comprised of the cancellation of \$25M of indebtedness owed by the Company to GII and Kuwait Investment Authority.

(3) Lock-up for non-management shareholders and Sponsors: 6 to 18 months with early release of 7.5% at closing. Employee shareholders 6 to 12 months.

(4) 3.7M Performance shares 50% SPAC sponsor shares subject to vesting. Vesting % linked to cash and financing at close.

(5) Based on zSpace Base case estimates and assumes the completion of 2 software acquisitions that are expected to contribute approx. \$2m of estimated pro forma revenues. Base Case forward looking estimates are subject to change and only provided here as guidance. Actual figures may be materially different.

(6) EdTech peers include CHGG, PWSC, INST, DUOL, COUR, DCBO, KAHOT, ARCE and UDMY. Metaverse peers include FB, SNAP and U. See peer benchmarking analysis on page 6.

(7) Reflects minimum cash condition net of SPAC expenses.

(8) Net of Transaction expenses and debt repayment

Illustrative Transaction Summary- zSpace



(\$millions, except share price)

Transaction Summary

- Implied enterprise value of \$195M, or 3.5x '23E Revenue of \$56M⁽¹⁾
- Up to \$141M cash to balance sheet for continued growth of combined company before transaction costs⁽²⁾
- Includes a \$38M performance earnout, or 3.7M additional shares post-earnout:
 - 1/3 of the earnout upon the successful execution of a first acquisition and upon 20 consecutive trading days at \$11.50 (VWAP)
 - 1/3 of the earnout upon the successful execution of a second acquisition or upon 20 consecutive trading days at \$12.50 (VWAP)
 - 1/3 of the earnout upon reaching \$100M in Revenue or upon 20 consecutive trading days at \$13.50 (VWAP)
 - 1M warrants (\$11.50)

Sources & Uses

Sources

Cash in Trust ⁽³⁾	\$117
Committed PIPE (@\$10.15) ⁽⁴⁾	25
Potential Additional Funding ⁽⁵⁾	20
Senior Debt Facility (est.) ⁽⁶⁾	4
Total Cash Sources	\$166
Rollover Equity (100%)	133
Total Sources	\$298

Uses

Retirement of zSpace Debt ⁽⁷⁾	\$25
Cash to Balance Sheet	128
Estimated Fees & Expenses ⁽⁸⁾	13
Total Cash Uses	\$166
Rollover Equity (100%)	133
Total Uses	\$298

Note: Illustrative Transaction Summary does not include shareholder redemptions.

- (1) Pre-earnout enterprise value.
 (2) Comprises: cash in trust of \$117M, assuming no redemptions, plus \$15M of Potential Additional Funding and Senior Debt of \$4M before estimated transaction expenses of \$13M
 (3) Assuming no redemptions.
 (4) Existing PIPE committed by KIA and GII
 (5) Definitive agreement allows for parties to bring additional funding.

- (6) Existing zSpace senior debt facility from East West Bank.
 (7) Repayment of zSpace's shareholder loan.
 (8) Approximately \$6M for EdTechX expenses (incl. back-end fees), \$4M for zSpace and \$3M for potential additional funding. Also assumes the completion of 2 software acquisitions that are expected to contribute approx. \$2m of estimated pro forma revenues.
 (9) Pre-earnout Pro Forma Valuation and Ownership.

Pro Forma Valuation⁽⁸⁾

Illustrative Share Price	\$10.15
Pro Forma Shares Outstanding (M)	31.4
Equity Value	\$319
Pro Forma Net Debt	(124)
Enterprise Value	\$195
TEV / '23E Revenue Multiple (\$56M)	3.5x

Pro Forma Ownership⁽⁹⁾

Pro Forma Ownership (Shares)

zSpace Shareholders (not incl. PIPE)	13.1
SPAC Public Shareholders	11.5
PIPE Shareholders (@\$10.15)	2.5
Potential Additional Funding	2.0
SPAC Sponsors	2.4
Total Shares	31.4

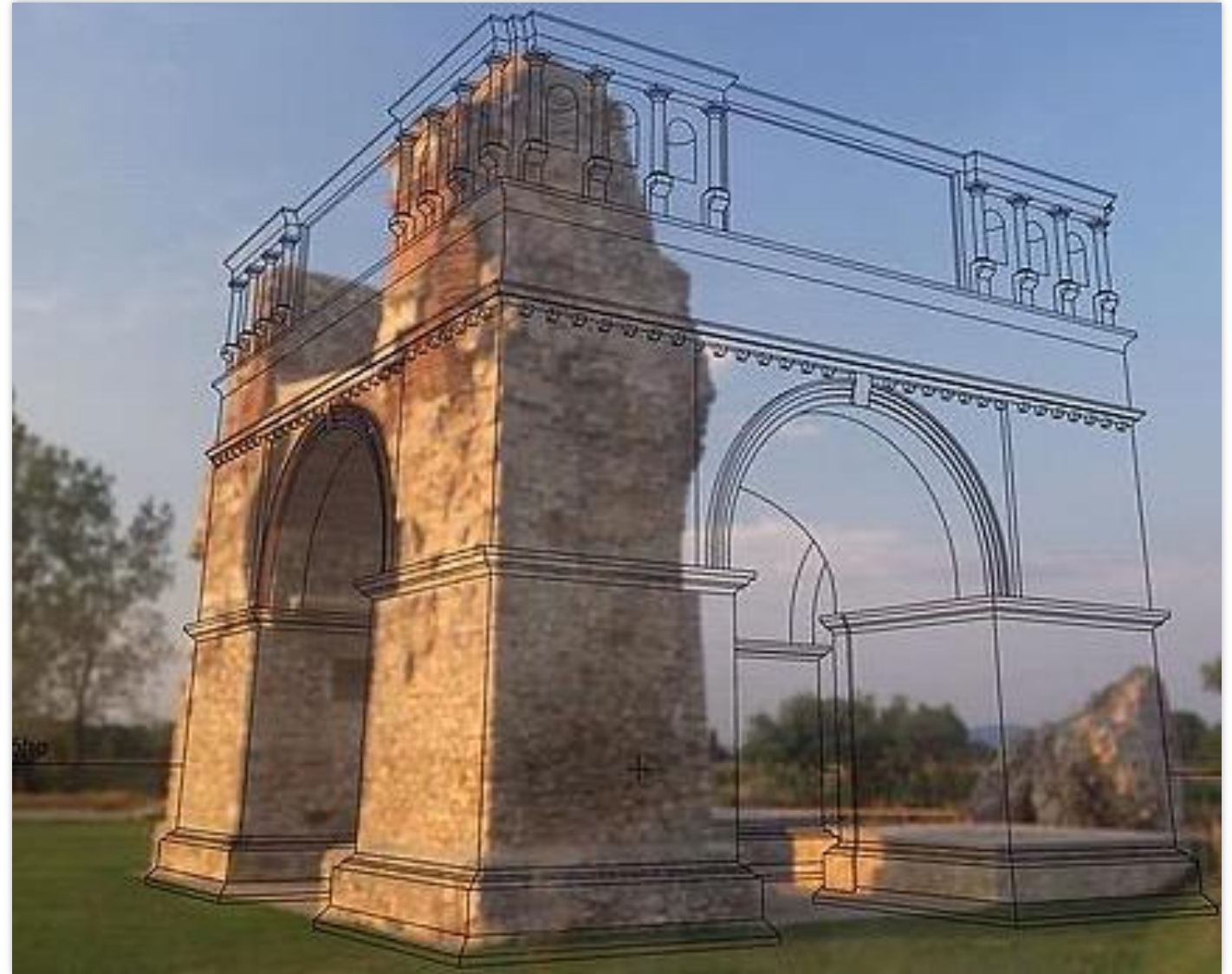
Pro Forma Ownership (%)

zSpace Shareholders (not incl. PIPE)	42%
SPAC Public Shareholders	37%
PIPE Shareholders (@\$10.15)	8%
Potential Additional Funding	6%
SPAC Sponsors	8%

Pro Forma Ownership (%)

100%

zSpace Vision: expanding across the entire learning spectrum



Investment Highlights



01

Leading provider of AR/VR technology in the education market

02

Differentiated and proprietary immersive and tracking technologies

03

Key strategic partnerships and network of 3rd party developers provide ability to rapidly scale internationally

04

Rapid growth in bookings, revenue and gross margins, and penetration in top 10 US school districts

05

Pipeline and existing book of business provides strong visibility

06

Targeted pipeline of software acquisitions to increase Annual Recurring Revenue (ARR)

zSpace in Action



Company Snapshot

Leading commercial provider of AR/VR technology, focused on the Education & Training sector

By the Numbers

\$56M
FY23E
Projected Revenue

54%
FY22E - FY24E
Revenue CAGR

65%
FY23E
Recurring Revenue











45%
FY24E
Gross Margin

> 70
Patents

> 2,400*
School Customers
(US)

> 1M
Annual student usage

A Customer Base with the Largest US School Districts**

US zSpace Customer		Students***	US Rank
 NYC Department of Education	New York City	984k	#1
	Los Angeles Unified	634k	#2
	Chicago Public Schools	378k	#3
	Miami-Dade County	357k	#4
	Clark County	327k	#5
	Broward County	272k	#6
	Houston ISD	216k	#7
	Hillsborough County	214k	#8
	Orange County	201k	#9
	Palm Beach	193K	#10

Industry Recognition & Awards



**2017 AWARDS
of
EXCELLENCE**
TECH & LEARNING

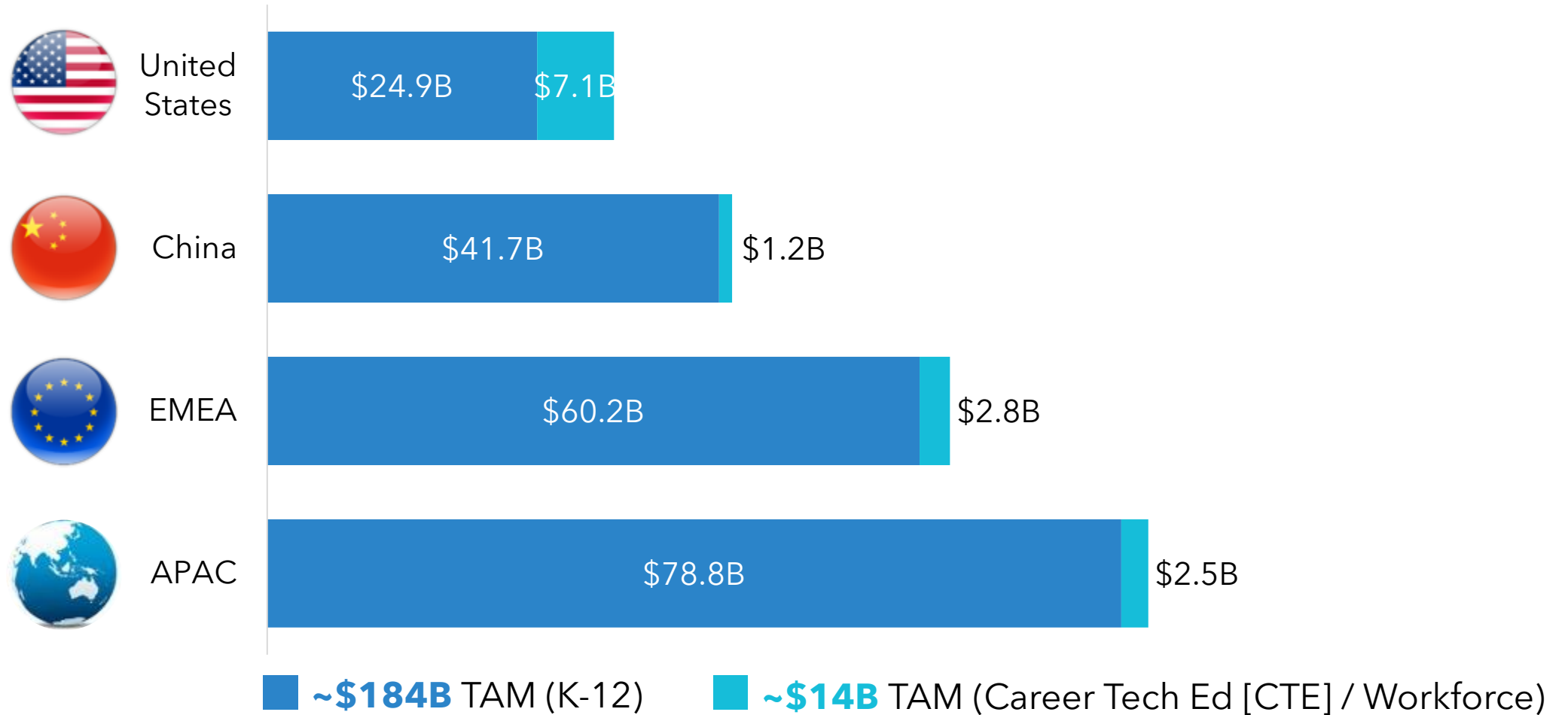


Gartner®
COOL VENDOR



TECH & LEARNING
BEST SHOW
AT ISTE 2016
WINNER

zSpace Education Market Offers a Large Opportunity (> \$200B)



Source: National Center for Education Statistics, Ministries of Education in various countries.
5 year TAM revenue, average "1 lab" per school.
APAC excludes China.

US Market Opportunity is Bolstered by US Federal Stimulus ~\$300B

Covid-19 legislation has added funding to K-12 education, adding growth potential

	CARES Act Signed into Law March 2020	Covid Relief Package Signed into Law December 2020	American Rescue Plan Signed into Law March 2021
Education Total	\$31B	\$82B	\$168B
K-12*	\$14B	\$54B	\$122B
Higher Ed	\$14B	\$22B	\$40B
Governors	\$3B	\$4B	\$3B

<https://www.future-ed.org/what-congressional-covid-funding-means-for-k-12-schools/>

Approximately 80% of the combined \$190B in K12 education funding allocated by these programs has not yet been spent.

Validated Efficacy with AR/VR in Education and Workforce Training

Beyond the Science Experiment: Building Soft Skills with AR and VR

By Joe Parlier, Ed.D.



To read full article on web, visit: <https://thelearningcounsel.com/article/beyond-science-experiment-building-soft-skills-ar-and-vr>

“...Students are able to develop soft skills that are critical to success in both higher education and the workforce.”

As augmented reality (AR) and virtual reality (VR) learning experiences become increasingly common in K-12 classrooms, the value this technology brings to STEM and Career and Technical Education programs is becoming increasingly evident. Educators are using immersive technology to expose students to worlds and situations that would be challenging or impossible in a classroom setting: exploring human and animal anatomy; building and observing the flow of air through car engines; learning trades such as welding; and travelling to communities and countries to experience different cultures.

These interactive experiences empowered by AR and VR often deliver social and emotional learning opportunities in addition to the scientific lessons. Both in STEM programming and in non-scientific AR and VR applications, students are able to develop soft skills that are critical to success in both higher education and the workforce.

When it comes to developing empathy, persevering when confronted with challenging content or failure, managing anxiety, and developing critical thinking skills, AR and VR applications help educators support students to overcome some of the common barriers to learning and deliver skill-building programming.

Investigating Potential Relationships Between Adolescents' Cognitive Development and Perceptions of Presence in 3-D, Haptic-Enabled, Virtual Reality Science Instruction

R. L. Hite, M. G. Jones, G. M. Childers,
M. Ennes, K. Chesnutt, M. Pereyra &
E. Cayton

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and Technology

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How VR and AR take CTE programs to the next level

By MIKE MACCHIAROLA
June 21st, 2019

To read full article on web, visit: <https://www.eschoolnews.com/2019/06/21/vr-ar-cte-programs/>

With the advent of new
resources, CTE programs are
helping prepare students for
future careers and success

eSCHOOL NEWS
Daily Tech News & Innovation



Studies consistently reveal the importance of career and technical education (CTE) programs as a method to reduce dropout rates and to keep students focused on high school graduation. Across Pasco County Schools, where we educate 75,000 students, the vision for our CTE program is to provide broad exposure to CTE experiential learning opportunities while equipping students to be life-long learners.

To accomplish that goal, it is critical that we enable our CTE students to embrace advanced technologies that will be commonplace in the jobs and careers of the future. As the workforce demands that even entry-level employees have the skills and training needed to take on new challenges, our perspective is that by creating opportunities for students to engage with and learn from advanced technologies in the classroom, it will put students on an immediate career path following graduation.

Interactive CTE programs with VR and AR
This year, our CTE department integrated augmented reality (AR) and virtual reality (VR) laptops from xSpace into our Health Sciences career cluster and Agriculture / Veterinary Assisting Program curriculum.

AR/VR has the unique ability to deliver immersive learning that places our students in an interactive learning environment, either physically or virtually, to replicate possible scenarios or to teach particular skills or techniques. The simulations, role play, and virtual learning environments are changing education and enhancing learning.

Hardware

Continuously developing new products for existing and new markets

Original Versions

Classroom Lab Model



AIO

Professional
High-Performance

One-to-One Model



Laptop

Education/K12

New Generation



Inspire

Commercially
Launched Q1/2022

Strategic Direction

Key Partnership with Major PC OEM

- Leverage their Supply Chain
- Leverage their existing worldwide reseller network

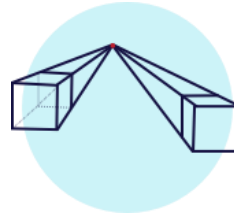
Technology Differentiation

zSpace's **differentiated, easy-to-use and affordable** technology has contributed to its success

Unique Features

Comfortable Viewing

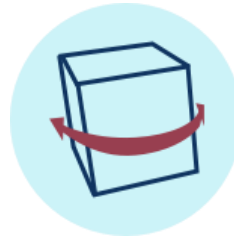
- ✓ Proprietary 3D panel module
- ✓ Lightweight eyewear
- ✓ Full Motion Parallax



Perception of Depth

Integrated Experience

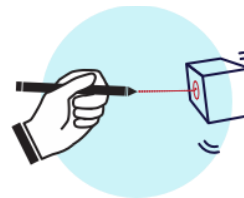
- ✓ AR/VR combined with normal 2D computing
- ✓ Easy to use and ready out of the box



Ability to Look Around

Intuitive Interaction

- ✓ Precise "open space" interaction
- ✓ Well understood and comfortable stylus design
- ✓ Accessible



Kinesthetic Realism

Naturally Collaborative

- ✓ Shared experience
- ✓ zView enabled one:many AR presentation



Education's leading AR/VR solution

zSpace supports in-school, remote, and hybrid learning.
Anytime. Anywhere. Anyday.



Impact learning like never before.



Understand.
comprehension



Motivate.
engagement



Engage.
participation



Prepare.
readiness

By end-user units shipped.

Proven solution with real evidence and customers...



“ Every time I visit a zSpace class, the kids are 100 percent engaged, they absolutely love it and they can't wait to get a visitor's attention and share what they are doing. ”

SARAH EDWARDS
 District Supervisor of Instructional Technology
 Buffalo Public Schools



Sylvester Hackworth, Ph.D
 Biology Professor
 Bishop State Community College

You're preparing a student to go out into the real world. This is the type of technology they are going to be using at work. Since we do train a lot of nurses, a lot things they work with on the floor is this type of technology.

Sylvester Hackworth, Ph.D
 Biology Professor
 Bishop State Community College



IMPROVE ENGAGEMENT & RETENTION WITH HANDS-ON LEARNING

The data are in: Hands-on learning promotes higher engagement, deeper understanding and improved outcomes. See how.

Educators at every grade level and in every content area understand the importance of student engagement for learning and outcomes. Students who are engaged are attracted to content and assignments, according to education consulting firm Gallup. These students work through challenges and setbacks and are proud of their achievements. Engaged learners have an energy that promotes deeper thinking, better problem-solving and increased, independent learning.

Disengaged students, however, operate at half or a third of the usual abilities they look engaged — they attend class and do their work, and most are seen well behind. And a report from the University of Wisconsin-Madison shows that these students are underprepared in subject matter, get up rarely and take less pride in learning.

So what can schools do to drive engagement in their classrooms? What's the secret? Many educators are finding success with hands-on learning strategies.

HANDS-ON LEARNING WORKS

Research shows that getting students actively involved in learning helps maximize benefits.

A Carnegie Mellon University study measured the difference in the effectiveness between class active learning and traditional instruction. Researcher of measurements found that interactive activities are 1.5 times more likely to help students learn and retain content than other types of lessons.

Another study, conducted at Purdue University, investigated the effectiveness of hands-on engineering design projects on learning outcomes between two groups of eighth graders attending a 1-hour in-class

Software Ecosystem Content Driving Highly-Recurring Revenue

Broad application offering (both zSpace and 3rd party), including hundreds of activities* aligned with NGSS and state standards



K-12 Application Examples



zSpace Studio is a rich model exploration and presentation tool that allows students to compare, dissect, analyze, measure and annotate thousands of 3D models



Newton's Park allows students to create their own experiments and build simulations while interacting with data



Experiences include experiential-based simulations of Earth, Life, and Physical Science topics allowing students to manipulate content while learning abstract concepts

CTE/Workforce Application Examples



VR Automotive Mechanic by GTAFE allows students to practice assembly and disassembly within a virtual mechanic shop



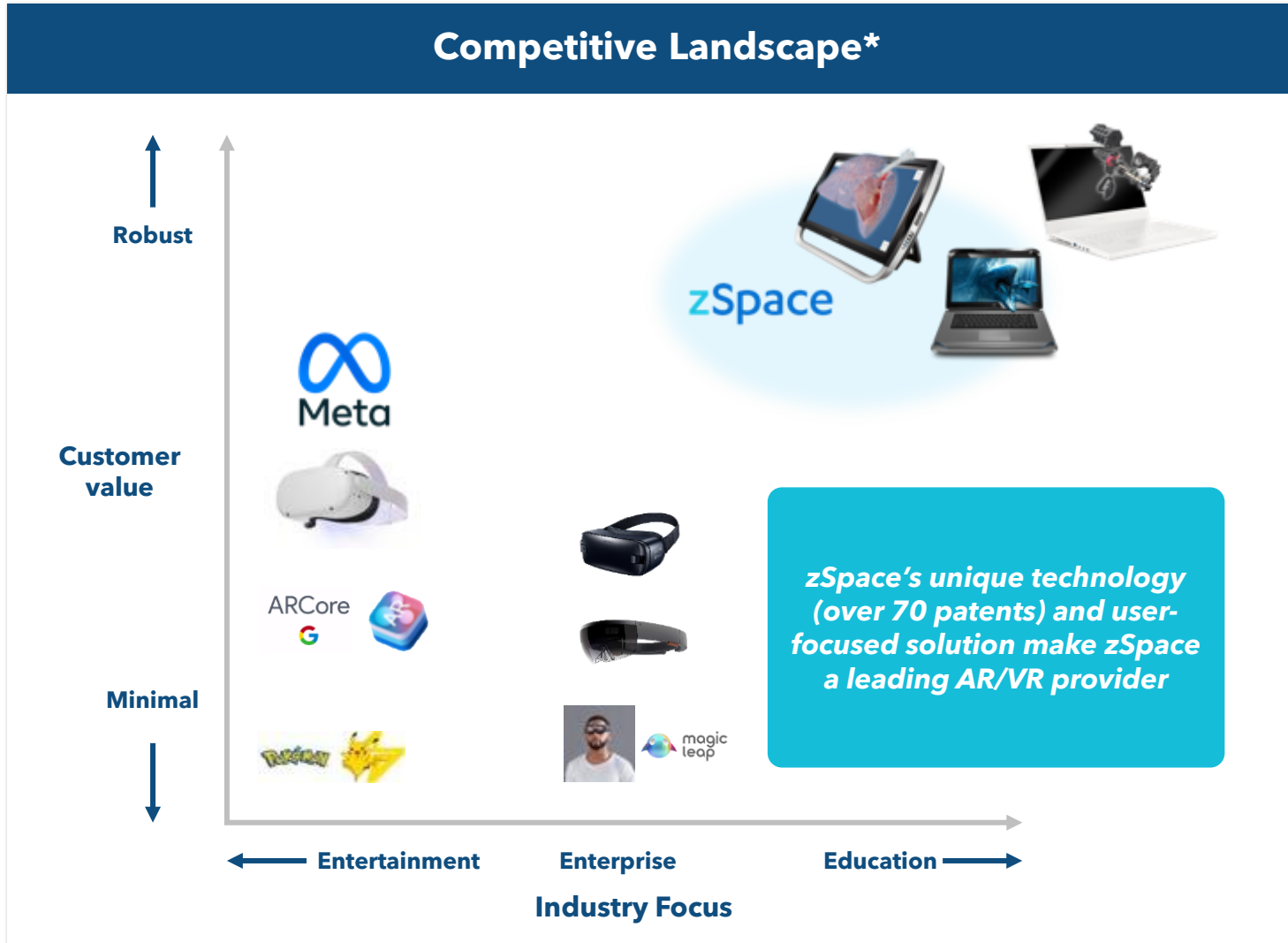
Human Anatomy Atlas by Visible Body allows students to explore human body systems and over 4,600 anatomical structures



Advanced Manufacturing by Fun2 provides hands-on training in hydraulics, pneumatics, and manufacturing production, logistics and maintenance

Technology Differentiation

zSpace's **differentiated, easy-to-use and affordable** technology has contributed to its success



Unique Features

- Significant Customer Installed Base
- Robust software content
- 3rd Party Developers for scale
- K12/STEM & CTE/Workforce market opportunity
- US and Global reseller partners

The recent metaverse excitement about immersive virtual experiences...

recode

Why you should care about Facebook's big push into the metaverse

The futuristic tech Mark Zuckerberg is investing billions in could remake the internet.

By **Shirin Ghaffary** | Nov 24, 2021, 3:15pm EST

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THE LATEST

VentureBeat Events GamesBeat Jobs The Future of Work Summit

Community

Why AR, not VR, will be the heart of the metaverse



The New York Times Account ▾

Everybody Into the Metaverse! Virtual Reality Beckons Big Tech.

Tech's biggest companies are joining game makers and start-ups in pursuit of an immersive digital world that some have been working on for years.



...has been zSpace's core vision for the past 10 years

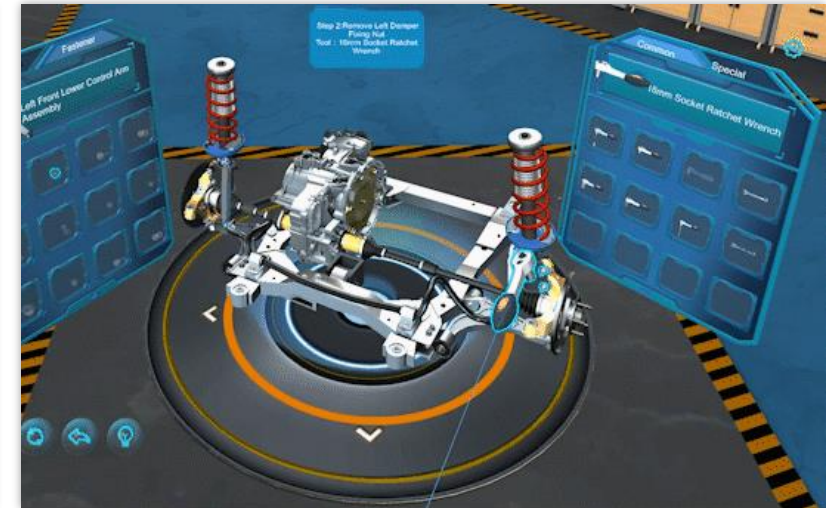
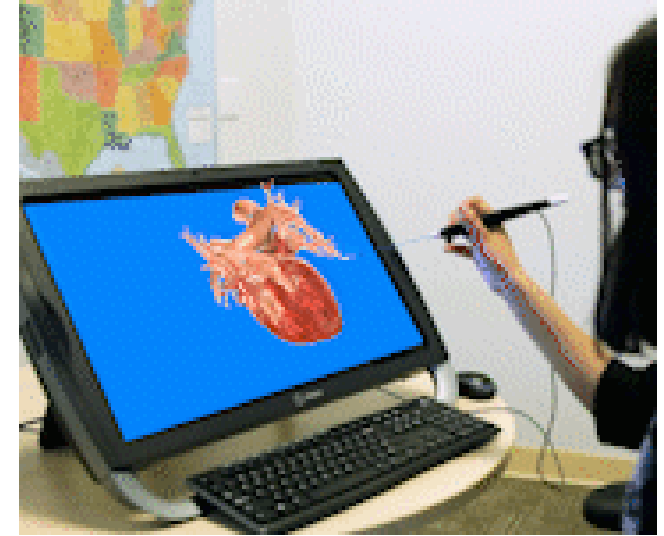
Our focus on immersive experiences has made us a **leading education technology in the metaverse**

Forbes

The Missing Link In A Metaverse-For-All Vision

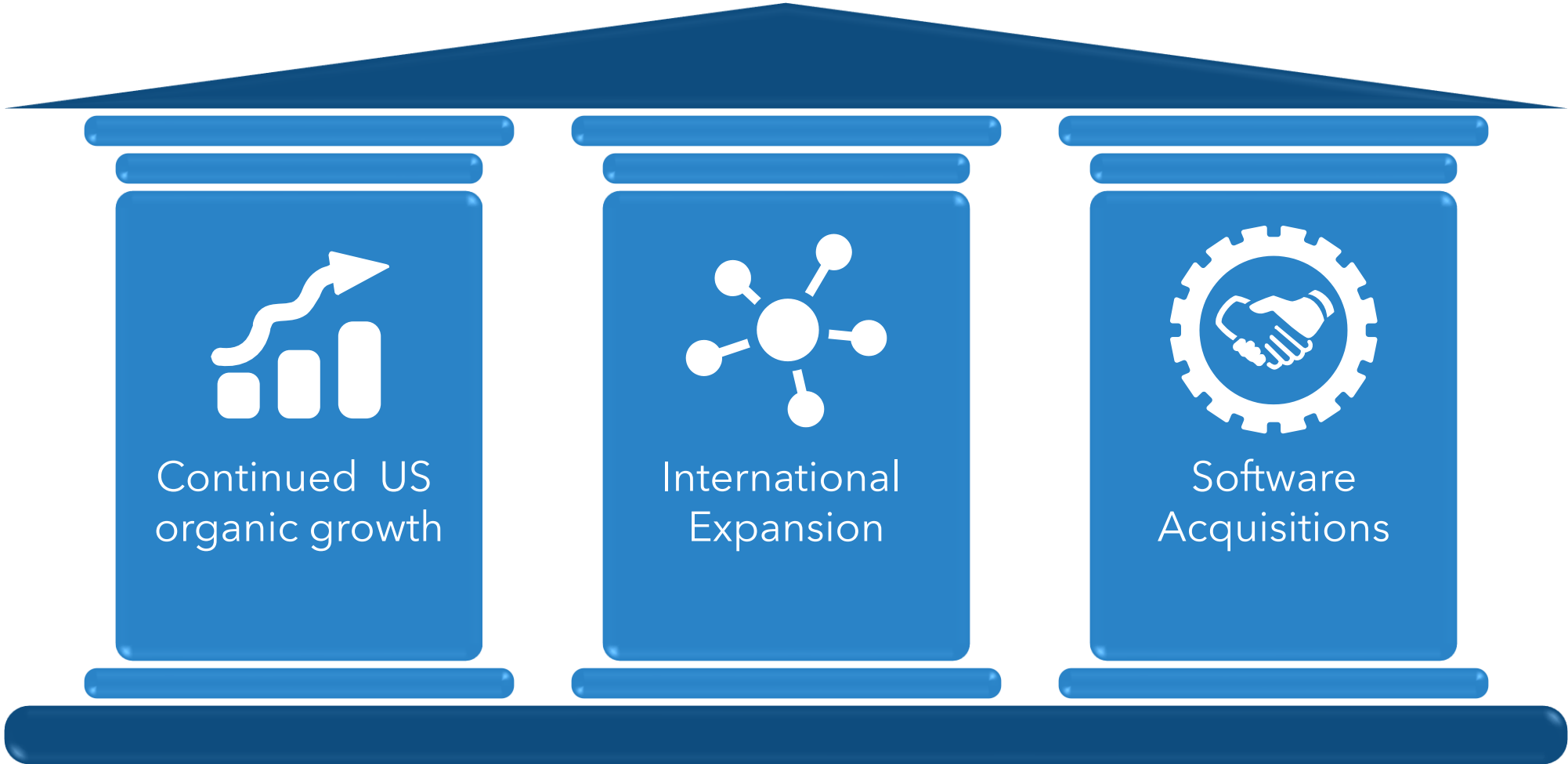
Jan 18, 2022,

“Given the fundamental technology zSpace has demonstrated I believe that the PC and laptop can be modified to also deliver an immersive 3D experience and has the potential of becoming, perhaps the main way people interact with virtual worlds in the future” ... Tim Bajarin, Creative Strategies



Key Strategic Growth Pillars

Our execution plan includes multiple avenues for continued growth over the next several years



Sales & Marketing Growth Plans

US Key Initiatives

- New Customer Acquisition
- Existing Customer Expansion through zSpace Inspire
- Continued Virtual/Hybrid selling model
- eSports Initiative
- US Channel Strategy
- US Stimulus Funding Focus - ESSER and CARES implementations



International Key Initiatives

- China - potential JV
- APAC and EMEA development focus

International Reseller Footprint

Strong and growing position in leading markets across the world



International customers in over 50 countries through over 25 major resellers

Success in US education driving demand

Major projects in 2021 is expected to set up 2022 well

- Argentina
- Eastern Europe

Acquisitions - Annual Recurring Revenue (ARR)



Acquisitions - Key Criteria

- Focus on key software applications within K12/STEM & CTE/Workforce
- Stable revenues, higher margins, scalable
- More web-based
- Expands IP portfolio in critical content areas



Pipeline of 50 targets

- Prioritized focus on top 5 targets
- Could add \$2m ARR to 2022 Revenue, >\$30m in Revenue in 2023⁽¹⁾
- Improved overall gross margins
- Facilitates additional international growth



Near-Term Priorities

Continue US organic growth



1

International Expansion



2

Execute on software M&A pipeline



3

Go public

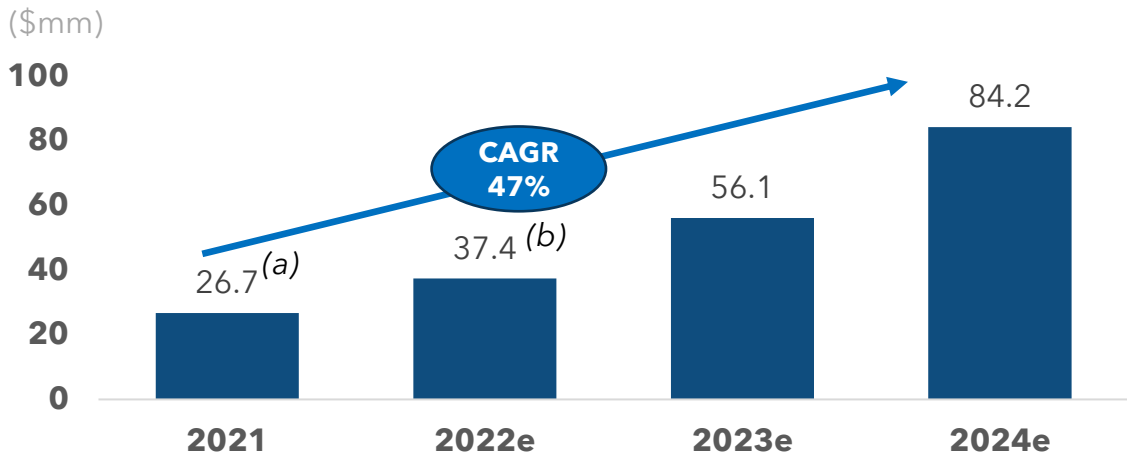


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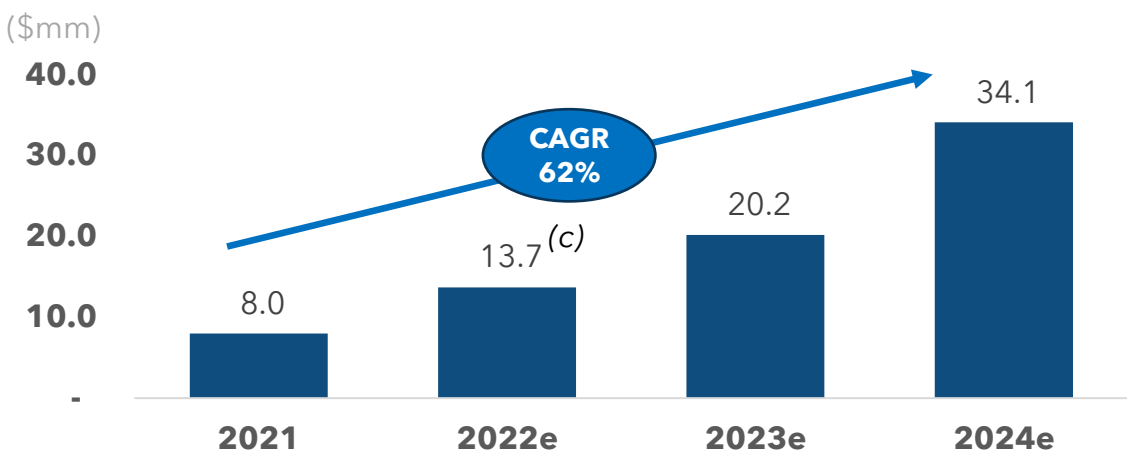


2021 – 2024E Financial Projection Metrics – Base Case

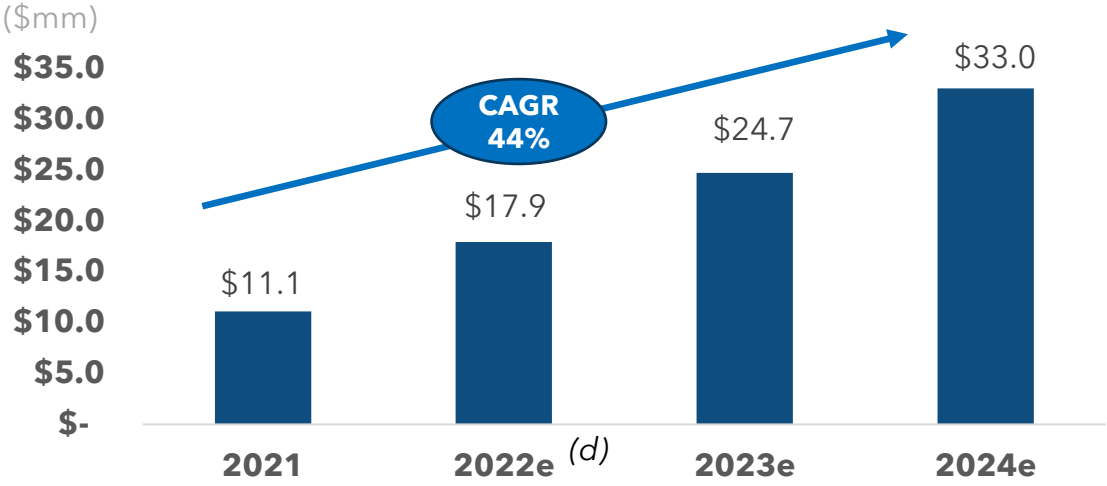
Revenues



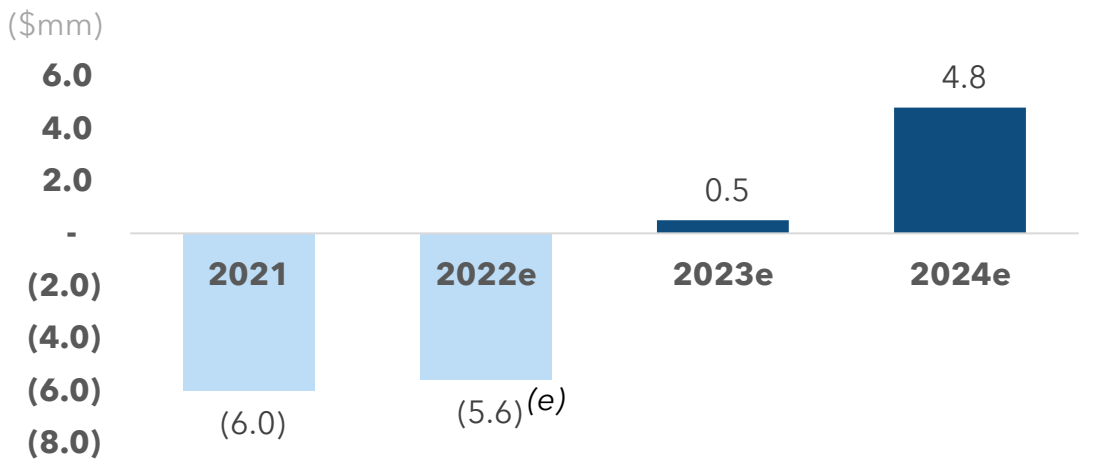
Annual Recurring Revenues (ARR)



Gross Margin



Operating Profits



Note: Base Case forward looking estimates are subject to change and only provided here as guidance. Actual figures may be materially different.

(a) Excluded \$11m Backlog 12/31/2021.

(b) Assumes the completion of 2 software acquisitions that are expected to contribute approximately \$2m of estimated pro forma revenues

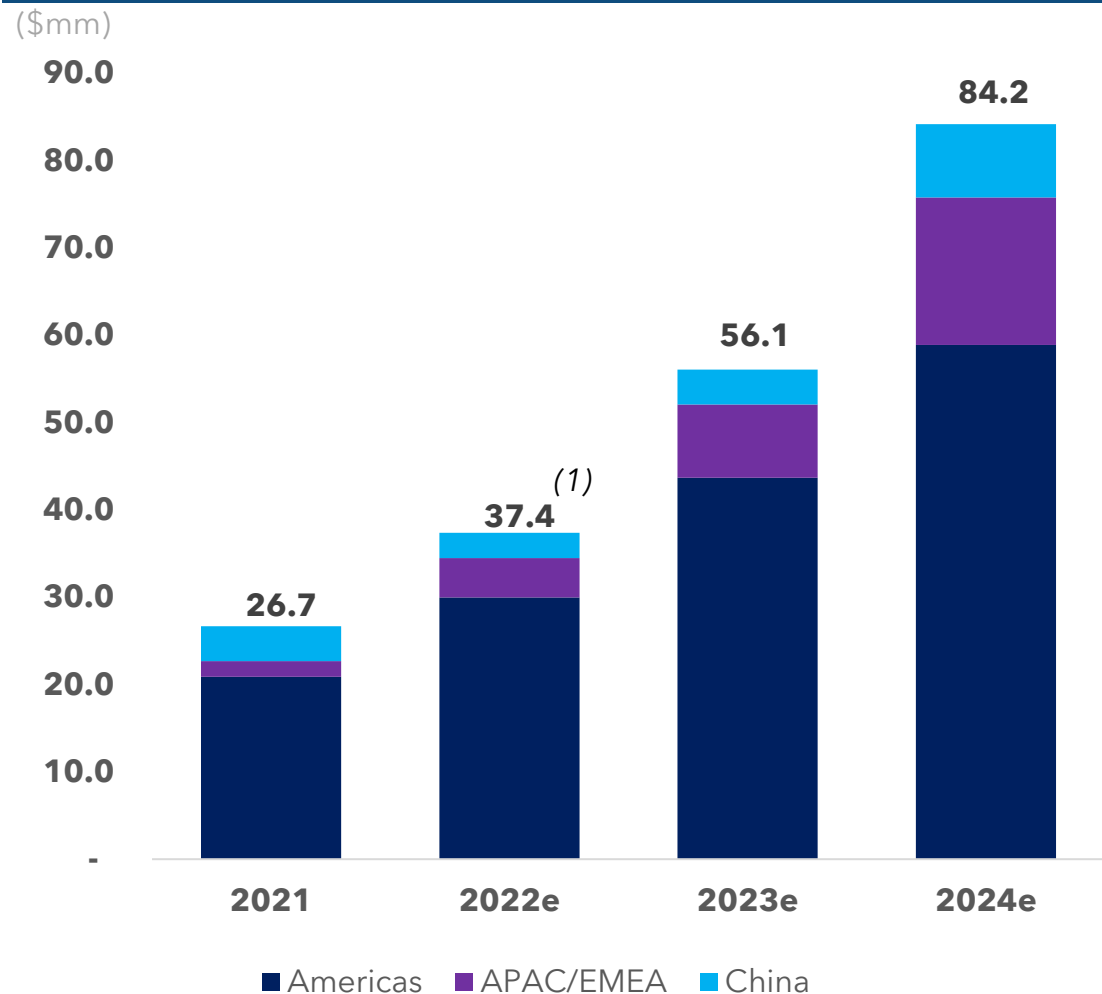
(c) Assumes the completion of 2 software acquisitions that are expected to contribute approximately \$2m of estimated pro forma revenues

(d) Assumes the completion of 2 software acquisitions that are expected to contribute approximately \$2m of estimated pro forma revenues

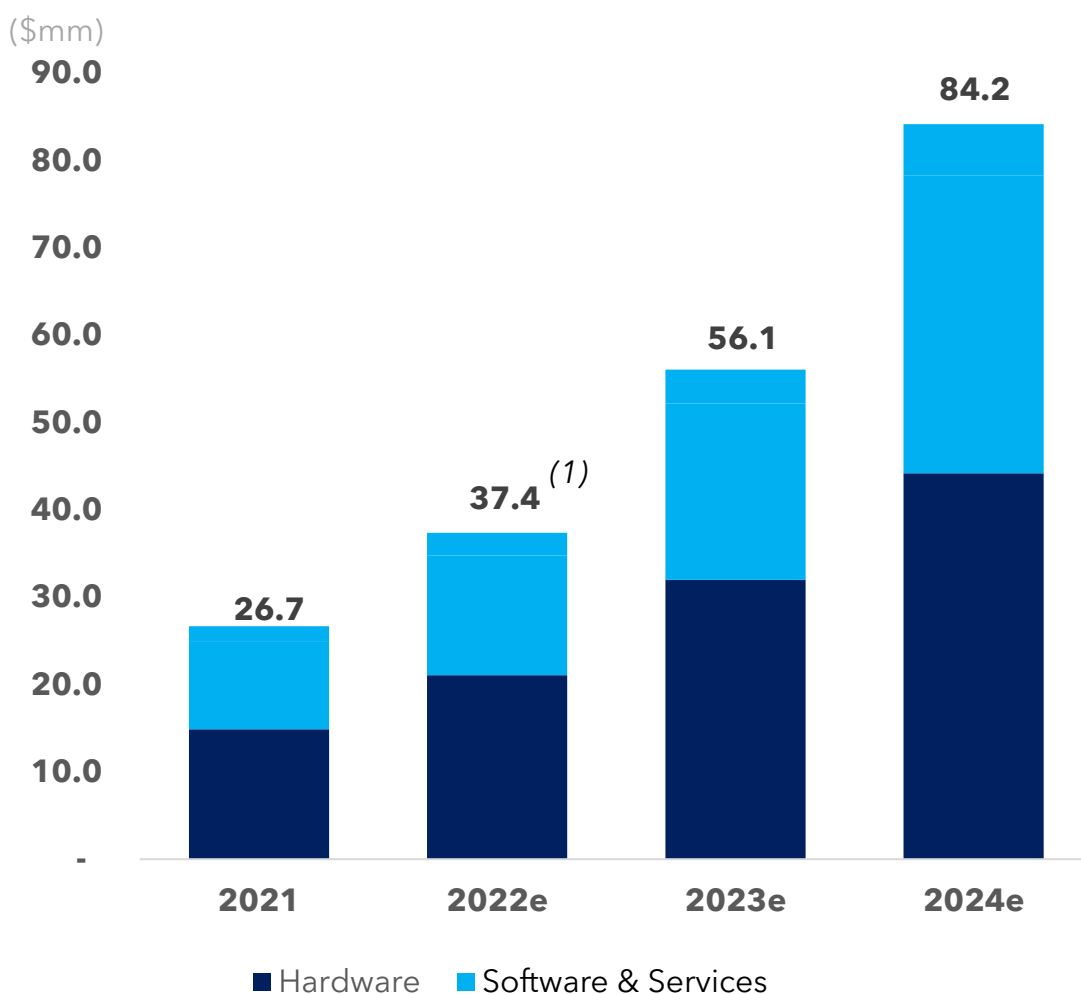
(e) Adjusted for non-recurring items

2021 - 2024E Financial Metrics

Revenues by Region*



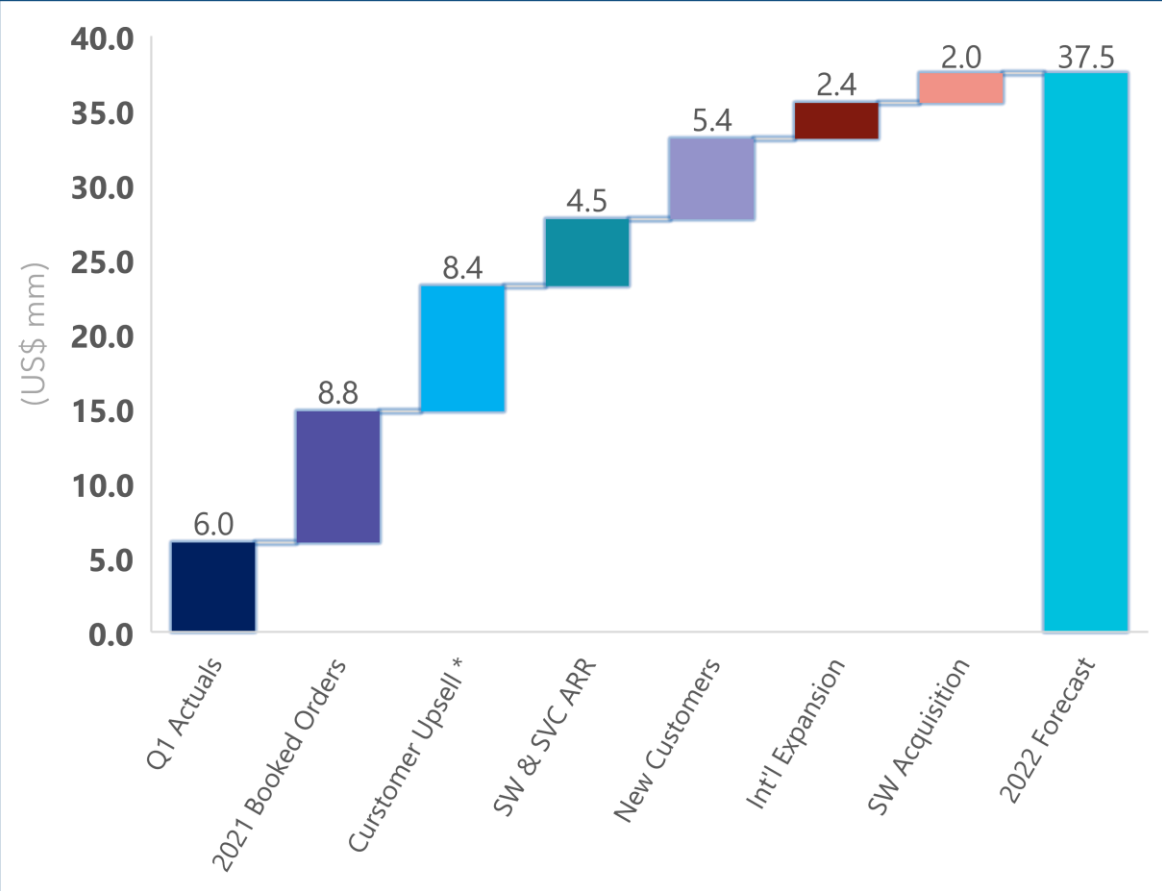
Revenues by Category*



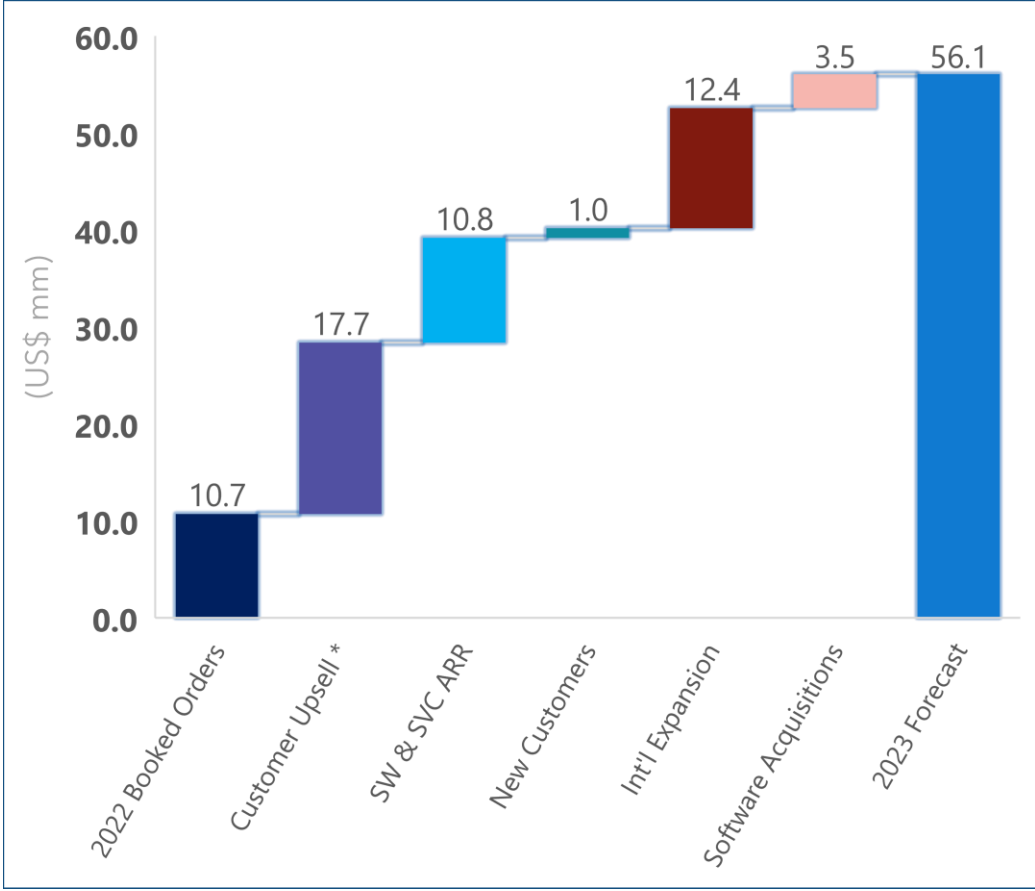
Strong bookings that convert to revenues in 2022/2023

Forecasted revenue growth supported by *Fulfillment of Booked Orders, ARR* and *Targeted Programs*

2022

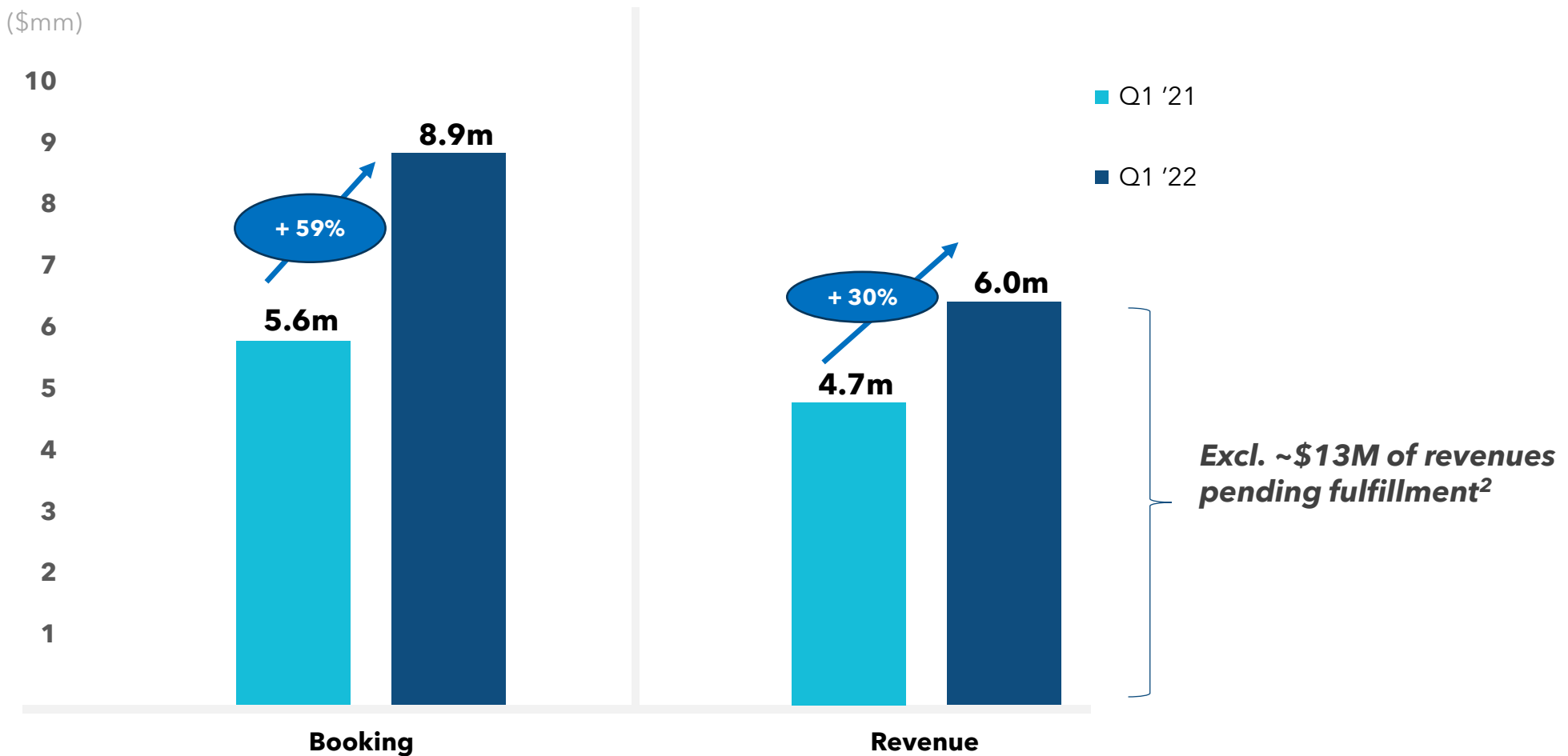


2023



Q1 2022 Sales Results - Best Q1 in Company History¹

59% Bookings Growth Y-o-Y | 30% Revenue Growth Y-o-Y |



1) Results are unaudited; actual results may materially differ.
2) 2021 and 2022 booked orders pending fulfillment and not recognized as revenues in Q1

Peer Group Analysis and Operational Benchmarking

Peer Benchmarking - Valuation Metrics

(\$millions)

	EdTech (subscription business model)											Metaverse/AR/VR				
	zSpace ⁽¹⁾	Chegg	PowerSchool	INSTRUCTURE	duolingo	coursera	docebo	Kahoot!	arco	Udemy	Median	Meta	Snap Inc.	Unity	Matterport	Median
Valuation Metrics																
Market Cap	\$314	\$2,207	\$2,409	\$2,611	\$3,383	\$2,653	\$1,464	\$1,155	\$1,061	\$1,428	-	\$575,449	\$47,339	\$20,087	\$1,559	-
EV	195	2,716	3,552	3,032	2,862	1,891	1,253	1,050	1,185	894	-	546,217	46,553	20,170	1,154	-
Revenue Multiples																
TEV / CY 22E Revenue	5.2x	3.6x	5.7x	6.5x	8.4x	3.5x	8.5x	6.2x	3.7x	1.4x	5.7x	4.3x	8.5x	13.5x	8.9x	8.7x
TEV / CY 23E Revenue	3.5x	3.3x	5.1x	5.9x	6.7x	2.8x	6.3x	4.6x	3.0x	1.2x	4.6x	3.7x	6.0x	10.3x	6.5x	6.2x
TEV / CY 22E Growth Adj. Revenue	0.1x	(1.3x)	0.5x	0.5x	0.2x	0.1x	0.2x	0.1x	0.1x	0.1x	0.1x	0.5x	0.3x	0.4x	0.5x	0.5x
TEV / CY 23E Growth Adj. Revenue	0.1x	0.3x	0.5x	0.5x	0.3x	0.1x	0.2x	0.1x	0.1x	0.1x	0.2x	0.2x	0.1x	0.3x	0.2x	0.2x
Gross Margin Multiples																
TEV / CY 22E Gross Margin	12.5x	4.9x	18.3x	8.5x	11.5x	5.6x	10.5x	6.8x	4.7x	2.5x	6.8x	5.4x	13.4x	17.0x	16.4x	14.9x
TEV / CY 23E Gross Margin	6.7x	4.4x	14.2x	7.5x	9.0x	4.5x	7.7x	5.0x	3.7x	2.0x	5.0x	4.6x	9.0x	13.0x	11.0x	10.0x

Matterport Peer Relevance:

- AR/VR solutions for property market
- Blended Hardware + SaaS model
- De-SPAC with Gores Holdings VI

Source: Company Filings, CapitalIQ. Market data as of 04/22/2022.
 (1) Valuation metrics do not include earnout (market cap and enterprise value reflect pre-earnout figures).

Peer Benchmarking - Financial Metrics

(\$millions)

	EdTech (subscription business model)											Metaverse/AR/VR				
	zSpace	Chegg	PowerSchool	INSTRUCTURE	duolingo	coursera	docebo	Kahoot!	arco	Udemy	Median	Meta	Snap Inc.	Unity	Matterport	Median
Financial Metrics																
Scale																
CY 22E Revenue ⁽¹⁾	\$37	\$755	\$624	\$463	\$339	\$543	\$148	\$171	\$318	\$625	-	\$127,592	\$5,496	\$1,497	\$130	-
CY 23E Revenue	56	834	690	516	429	674	200	229	394	767	-	148,632	7,731	1,951	178	-
CY 22E EBITDA	NA	227	182	167	(3)	(49)	(2)	44	112	(68)	-	57,964	730	10	(133)	-
CY 23E EBITDA	NA	275	210	188	22	(40)	8	88	144	(54)	-	67,455	1,565	119	(108)	-
Growth																
CY 22E Revenue Growth ⁽¹⁾	40%	(3%)	12%	14%	35%	31%	42%	87%	29%	21%	29%	8%	33%	35%	17%	25%
CY 23E Revenue Growth	50%	10%	11%	11%	26%	24%	35%	34%	24%	23%	24%	16%	41%	30%	37%	34%
CY 21A - CY 23E Revenue CAGR	45%	4%	11%	13%	31%	27%	39%	59%	27%	22%	27%	12%	37%	33%	27%	30%
Profitability																
CY 22E Gross Margin ⁽¹⁾	42%	74%	68%	77%	73%	62%	81%	91%	79%	56%	74%	79%	63%	79%	54%	71%
CY 23E Gross Margin	43%	74%	68%	78%	74%	63%	82%	92%	81%	58%	74%	79%	67%	80%	59%	73%
CY 22E EBITDA Margin	NA	30%	29%	36%	(1%)	(9%)	(1%)	26%	35%	(11%)	26%	45%	13%	1%	(102%)	7%
CY 23E EBITDA Margin	NA	33%	30%	36%	5%	(6%)	4%	38%	36%	(7%)	30%	45%	20%	6%	(61%)	13%

Source: Company Filings, CapitalIQ. Market data as of 04/22/2022.

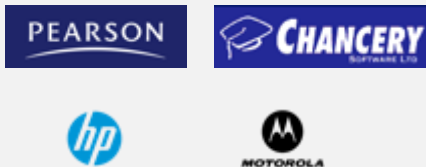
Leadership Team



Paul Kellenberger
Chief Executive Officer

Prior to zSpace, Paul was CEO for Chancery Software, an Enterprise SIS provider. Paul built a successful team and profitably grew the business, resulting in a sale to Pearson.

Former senior executive in general management, sales, marketing, and corporate development at Motorola, Digital Equipment Corp, and Inacom Corporation (acquired by HP).



Joe Powers
Chief Financial Officer

Joe has over 20 years experience in senior level financial positions with high-technology/high growth companies.

Prior to joining zSpace, Joe was CFO for Virident Systems, WorkRite Ergonomics, Bay Packets (acquired by Genband), Pacific Microsonics (acquired by Microsoft) and ViTel International.



Mike Harper
Chief Product and Marketing Officer

Mike has more than 20 years of successful experience in general management, sales, marketing and corporate development with both start-ups and large companies.

Mike has held executive positions with Fortisphere, Syfact, BNX Systems and USinternetworking, Inc. (USi).



Ron Rheinheimer
Chief Revenue Officer

Ron has over two decades of experience in sales, sales leadership, strategic partnerships and strategy development.

Ron has been a leader at early stage and large companies, including 11 years at Pearson.

Early in his career, Ron held Leadership roles at Chancery Software, Inacom (acquired by HP), and Avantas.



Tara Choy
Chief People Officer

Tara brings over 12 years of experience in HR Administration with both large companies and start-ups.

Tara has played key roles in organizational development, streamlining processes and procedures and ensuring compliance.

Tara Global HR Director for ActiveVideo (acquired by ARRIS and Charter Communications).



Appendix

Risk Factors

Risks Related to zSpace's Business and Industry Following the Business Combination

- zSpace has a limited operating history at the current scale of its business and is still scaling up its monetization efforts, which makes it difficult to evaluate its current business and future prospects, and there is no assurance it will be able to scale its business for future growth
- Adverse general and industry-specific economic and market conditions, reductions in IT spending or changes in the spending policies or budget priorities for government funding of K-12 school may reduce demand for zSpace's products and platform, which could harm its results of operations.
- zSpace has benefitted from the U.S. federal government's stimulus packages focused on educational initiatives approved as a result of the COVID-19 pandemic and there is no guarantee additional funding will be approved.
- zSpace's business is subject to seasonal sales and customer growth fluctuations which could result in volatility in zSpace's operating results some of which may not be immediately reflected in its financial position and results of operations.[We face risks related to our contracts with state and local government entities and, to a lesser extent, federal government agencies, as well as difficulties with contracting with large customers with substantial negotiating leverage, both of which could harm our results of operations.
- State or local legislation may be adopted that limits or bans instruction in public schools that includes or promotes social or emotional learning, which could limit zSpace's ability to operate in those states and/or localities and have an adverse impact on its business, operating results, and financial condition.
- zSpace's business is highly competitive. Competition presents an ongoing threat to the success of its business.
- zSpace's future revenues and operating results will be harmed if zSpace is unable to acquire new customers, if its customers do not renew their contracts with it, or if it is unable to expand sales to its existing customers or develop new products that achieve market acceptance.
- zSpace's business is dependent on its ability to maintain and scale its product offerings and technical infrastructure, and any significant disruption in the availability of zSpace's platform could damage zSpace's reputation, result in a potential loss of customers and engagement , and adversely affect zSpace's business, operating results, and financial condition.
- If zSpace fails to maintain, enhance or protect its brand, zSpace's ability to expand its customer base will be impaired and its business, financial condition and results of operations may suffer.
- zSpace has experienced rapid growth and expects to in its growth for the foreseeable future. If zSpace fails to manage its growth effectively, its business, operating results, and financial condition would be adversely affected.
- If zSpace does not successfully anticipate market needs and develop products and services and platform enhancement that meet those needs, or if those products, services and platform enhancements do not gain market acceptance, its business, operating results, and financial condition will be adversely impacted.
- zSpace plans to continue expanding its international operations where it has limited operating experience and may be subject to increased business and economic risks that could seriously harm its business, operating results, and financial condition.
- If zSpace needs additional capital in the future, it may not be available on favorable terms, if at all.
- zSpace plans to continue to make acquisitions, which could harm its financial condition or results of operations and may adversely affect the price of its common stock.
- zSpace's business depends largely on its ability to attract and retain talented employees, including senior management. If zSpace loses the services of Paul Kellenberger, its Chief Executive Officer, or other members of its senior management team, zSpace may not be able to execute on its business strategy.
- zSpace's products, platform, and internal systems rely on software and hardware that is highly technical, and any errors, bugs, or vulnerabilities in these systems, or failures to address or mitigate technical limitations in zSpace's systems, could adversely affect its business.
- zSpace's current planned or expected future acquisitions may not successfully materialize or close, which would adversely affect zSpace's business, financial condition and operating results

Risk Factors (Cont.)

Risks Related to Financial and Accounting Matters

- zSpace's operating results may fluctuate significantly, which makes its future results difficult to predict.
- Certain of zSpace's market opportunity estimates, growth forecasts and key metrics could prove to be inaccurate, and any real or perceived inaccuracies may harm its reputation and negatively affect its business.
- zSpace has a history of net losses and may experience net losses in the future and zSpace cannot assure you that it will achieve or sustain profitability. If zSpace cannot achieve or sustain profitability, its business, financial condition, and operating results will be adversely affected.
- zSpace's ability to use its U.S. federal and state net operating losses to offset future taxable income may be subject to certain limitations which could subject zSpace's business to higher tax liability.
- zSpace's financial results may be adversely affected by changes in accounting principles generally accepted in the United States and its financial estimates may be different than its financial results. [If currency exchange rates fluctuate substantially in the future, zSpace's operating results, which are reported in U.S. dollars, could be adversely affected.
- zSpace may have exposure to greater-than-expected tax liabilities, which could seriously harm its business.
- Taxing authorities in the U.S. and in foreign jurisdictions may successfully assert that zSpace should have collected or in the future should collect sales and use, gross receipts, value-added or similar taxes and may successfully impose additional obligations on zSpace, and any such assessments or obligations could adversely affect zSpace's business, operating results, and financial condition.
- The interpretation and application of recent U.S. tax legislation or other changes in U.S. or non-U.S. taxation of zSpace's operations could harm its business, operating results, and financial condition.

Risks Related to Legal and Regulatory Matters

- zSpace may be liable as a result of content or information that is published or made available on its platform.
- zSpace's customers are highly regulated and subject to a number of challenges and risks. zSpace's failure to comply with laws and regulations applicable to it as a technology provider for Higher Education and K-12 could adversely affect its business and results of operations, increase costs and impose constraints on the way zSpace conducts its business.
- zSpace could be involved in legal disputes that are expensive and time consuming, and, if resolved adversely, could harm its business, operating results, and financial condition.
- The obligations associated with operating as a public company following the Business Combination will require significant resources and management attention and will cause zSpace to incur additional expenses, which will adversely affect its profitability.
- Failure to maintain effective systems of internal control and disclosure controls could have a material adverse effect on zSpace's business, operating results, and financial condition.

Risks Related to Intellectual Property

- Failure to protect and enforce zSpace's proprietary technology and intellectual property rights could substantially harm its business, operating results, and financial condition.
- zSpace's use of "open source" software could subject it to possible litigation or could prevent it from offering products that include open source software or require it to obtain licenses on unfavorable terms.

Risks Related to Ownership of zSpace's Common Stock

zSpace does not intend to pay dividends for the foreseeable future, and as a result, your ability to achieve a return on your investment will depend on appreciation in the price of zSpace's common stock.

Risk Factors (Cont.)

Risks Related to the Business Combination

- Public stockholders, together with any affiliates of theirs or any other person with whom they are acting in concert or as a “group,” will be restricted from seeking redemption rights with respect to more than 15% of the public shares.
- EdtechX’s sponsors and officers and directors own Class A common stock and warrants that will be worthless and have incurred reimbursable expenses that may not be reimbursed or repaid if the Business Combination is not approved and that may entitle them to a greater return on their initial investment than other public stockholders or holders of warrants if the Business Combination is approved. Such interests may have influenced their decision to approve the Business Combination with zSpace.
- The Sponsors and the directors and officers of EdtechX stand to make a substantial profit even if the combined company subsequently declines in value or the Business Combination is unprofitable for the public stockholders, and the directors and officers of EdtechX had more of an economic incentive for EdtechX to enter into, and have more of an economic incentive for EdtechX to complete, the Business Combination.
- Certain of the Sponsors, which are ultimately controlled by certain officers and directors of EdtechX, are liable under certain circumstances to ensure that proceeds of the trust are not reduced by vendor claims in the event the Business Combination is not consummated. Such liability may have influenced the decision of EdtechX’s officers and directors to approve the Business Combination with zSpace.
- The exercise of EdtechX’s directors’ and officers’ discretion in agreeing to changes or waivers in the terms of the Business Combination may result in a conflict of interest when determining whether such changes to the terms of the Business Combination or waivers of conditions are appropriate and in the best interests of EdtechX’s stockholders.
- If (i) EdtechX’s stockholders do not approve the proposal to amend Edtech’s amended and restated certificate of incorporation, as amended to extend the date by which the Company has to consummate a business combination from June 15, 2022 to December 15, 2022 or (ii) if such proposal is approved, but EdtechX is unable to complete the Business Combination with zSpace or another business combination by December 15, 2022 (or such later date as may be approved by EdtechX’s stockholders), EdtechX will cease all operations except for the purpose of winding up, redeeming 100% of the outstanding public shares and, subject to the approval of its remaining stockholders and its board of directors, dissolving and liquidating. In such event, third parties may bring claims against EdtechX and, as a result, the proceeds held in the trust account could be reduced and the per-share liquidation price received by stockholders could be less than \$10.15 per share.
- EdtechX’s board of directors did not obtain a fairness opinion in determining whether or not to proceed with the Business Combination and, as a result, the terms may not be fair from a financial point of view to the public stockholders.
- EdtechX’s stockholders may be held liable for claims by third parties against EdtechX to the extent of distributions received by them.
- Activities taken by existing EdtechX stockholders to increase the likelihood of approval of the business combination proposal and the other proposals could have a depressive effect on EdtechX’s shares.
- If EdtechX is deemed to be an investment company under the Investment Company Act, it may be required to institute burdensome compliance requirements and its activities may be restricted, which may make it difficult for it to complete the Business Combination.