



QUANTASING

Investor Presentation

Third Quarter, Fiscal Year 2024

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These statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates,” “potential,” “continue,” “ongoing,” “targets,” “guidance” and similar statements. QuantaSing may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the “SEC”), in its annual report to shareholders, in press releases, and other written materials and in oral statements made by its officers, directors or employees to third parties. These forward-looking statements are based on QuantaSing’s current expectations and involve risks and uncertainties. QuantaSing’s actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which include, without limitation, QuantaSing’s growth strategies; its future business development, results of operations and financial condition; its ability to attract and retain new users and learners and to increase the spending and revenues generated from users and learners; its ability to maintain and enhance the recognition and reputation of its brand; its expectations regarding demand for and market acceptance of its services and products; trends and competition in China’s adult learning market; changes in its revenues and certain cost or expense items; the expected growth of China’s adult learning market; PRC governmental policies and regulations relating to QuantaSing’s business and industry, general economic and political conditions in China and globally; assumptions underlying or related to any of the foregoing; and other risks and uncertainties included under the caption “Risk Factors” and elsewhere in our filings with the SEC, including, without limitation, the final prospectus related to the IPO filed with the SEC dated January 24, 2023. Our SEC filings are available on the SEC’s website at www.sec.gov. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements, which speak only as of the date hereof. If the Presentation is reviewed after the date hereof, even if made available by us, on our website or otherwise, it may not contain current or accurate information. We disclaim any obligation to update or revise any forward-looking statement based on new information, future events or otherwise. All forward-looking statements are qualified in their entirety by this cautionary statement, and QuantaSing undertakes no obligation to revise or update any forward-looking statements to reflect events or circumstances after the date hereof. In addition to U.S. GAAP financials, the Presentation includes certain non-GAAP financial measures, including, among others, adjusted net income (loss) and gross billings of individual online learning services. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. The non-GAAP financial measures used by QuantaSing may differ from the non-GAAP financial measures used by other companies. Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable U.S. GAAP financial measures and should be read only in conjunction with QuantaSing’s consolidated financial statements prepared in accordance with U.S. GAAP. Please see the Appendix attached to the Presentation for an explanation of management’s use of these measures and a reconciliation of the most directly comparable U.S. GAAP financial measures. 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Unless otherwise indicated, all references in the Presentation to “QuantaSing,” “we,” “our,” “us,” the Company,” or similar terms refer to QuantaSing Group Limited, together as a group with its subsidiaries, and, in the context of describing the substantive operations and financial information relating to such operations of QuantaSing Group Limited and its subsidiaries and the affiliated entities as a whole, refer to QuantaSing Group Limited and its subsidiaries and the affiliated entities.

Exchange Rate Information

This announcement contains translations of certain Renminbi (“RMB”) amounts into U.S. dollars (“US\$”) at specified rates solely for the convenience of the reader. Unless otherwise stated, all translations from Renminbi to U.S. dollars were made at the rate of RMB7.2203 to US\$1.00, the exchange rate on March 29, 2024, set forth in the H.10 statistical release of the Federal Reserve Board. The Company makes no representation that the Renminbi or U.S. dollars amounts referred to could be converted into U.S. dollars or Renminbi, as the case may be, at any particular rate or at all.



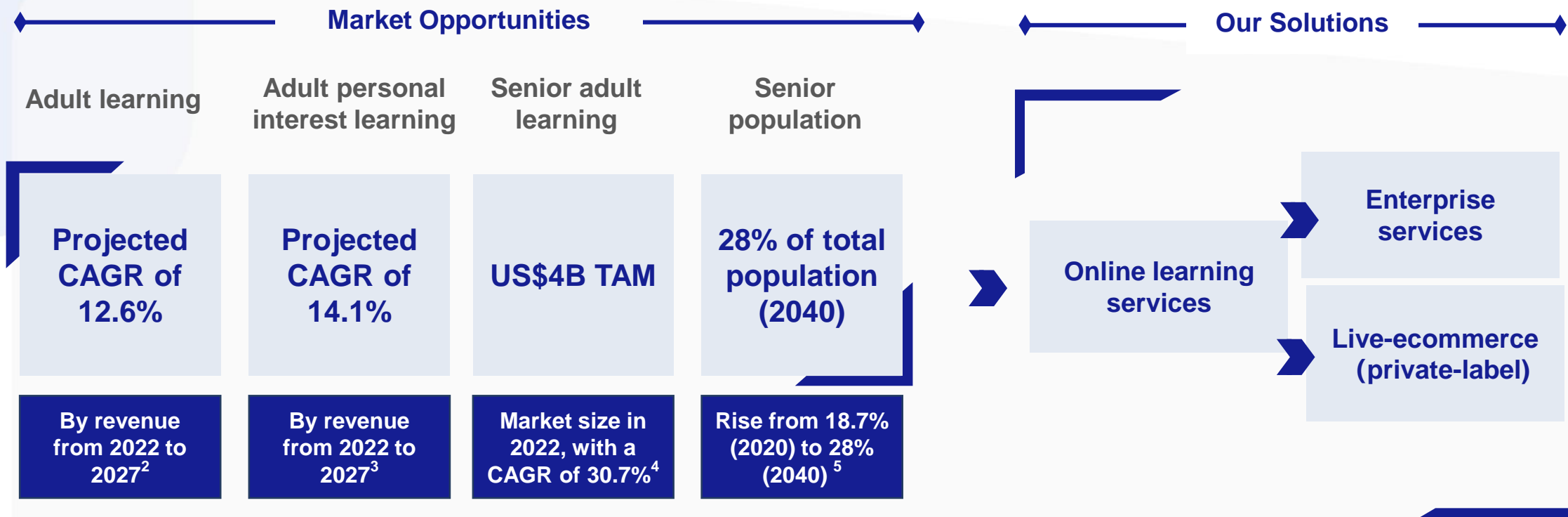
QUANTASING

QuantaSing at a Glance

Our mission

To improve people's quality of life and well-being by providing them with lifelong personal learning and development opportunities

Who We Are – Largest Service Provider in China’s Online Adult Learning Market and China’s Adult Personal Interest Learning Market¹



Note 1: QSG is the largest online individual adult learning service provider in China, in terms of revenue for 2022 and holding first place in China’s adult personal interest learning market for the second consecutive year, in terms of revenue in 2022, in terms of revenue, according to Frost & Sullivan report.

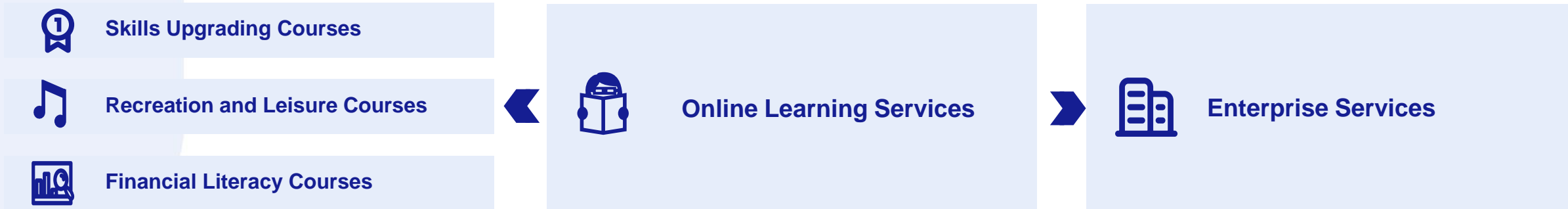
Note 2: According to Frost & Sullivan report, the market size of China’s adult learning industry in terms of revenue was RMB576.2 billion in 2022, and is expected to increase to RMB1,043.2 billion in 2027, representing a CAGR of 12.6% from 2022 to 2027.

Note 3: According to Frost & Sullivan report, China’s adult personal interest learning market size by revenue increased from RMB108.8 billion in 2018 to RMB153.5 billion in 2022, representing a CAGR of 9.0% from 2018 to 2022, and is expected to reach RMB296.4 billion in 2027, representing a CAGR of 14.1% from 2022 to 2027

Note 4: Frost & Sullivan report

Note 5: World Health Organization data

Our Diversified Course Offerings Position Us for Robust Long-Term Growth



- **Iterative Course Development**

- Launched TCM-related courses to meet seniors' learning demand during Q1 FY2024
- Applying our 'test and scale' approach to efficiently and effectively iterate our course offerings

- **40.3% YoY Registered Users Growth**

- Consistently grow our user base and enhance learner satisfaction and interaction through an "online-offline" integrated approach

- **AI Integration and 98.5% User Satisfaction**

- **Repurchase Rates Remain Strong**

- Repurchase rates for certain courses have consistently remained at approximately 60% for the past 7 quarters

- **Opportunities to cross-sell enterprise services to expand revenue streams**

Our Scalable Business Model Facilitates Cross-Sell Opportunities

Expanding Revenue Streams and Enhancing Profitability – Supported by Our Scalable Business Model

In June 2023, we launched our live e-commerce business with an initial focus on Chinese liquor.



June 2023

In Q3 FY2024, we started to develop our private label liquor products.



Q3 FY2024

We continue to launch more products catering to the silver cohort. We generated GMV of RMB9.5 million in March and RMB10.2 million in April for our healthcare products.



Q3 FY2024



Enhancing the customer value proposition



Leveraging our existing customer base



Connecting customers with relevant content



Optimizing operational systems and IT infrastructure

Growth Strategy



Expand user base and drive engagement



Invest in technology, analytics, and talent



Enrich course offerings with proven demand



Extend lifetime value through live e-commerce



Develop enterprise services for synergistic growth



Pursue global expansion and strategic partnerships

Investment Highlights



Customer Profile

Targeting mass public aged 35+, with a focus on senior citizens



Platform and Offerings

Innovative learning journey leading to strong user engagement



Business Model

Scalable business model driving rapid launch of new course offerings and business opportunities

Robust technology infrastructure and business intelligence

Visionary, seasoned management team and entrepreneurial corporate culture

3Q FY24 Performance Highlights

Financial figures shown are for the third quarter of FY 2024¹, which refers to the period from January 1 to March 31, 2024



RMB945.6 Million

Revenues

+17.1% Y/Y



RMB31.9 Million

Adjusted net income²

+47.1% Y/Y



121.0 Million

Total registered users³

+40.3% Y/Y



RMB981.5 Million

Gross billings of individual
online learning services⁴

+22.1% Y/Y



RMB1,149.9 Million

Cash and cash equivalents
and short-term investments

+35.2% Y/Y



0.5 Million

Paying learners⁵

+48.4% Y/Y

Note 1: FY 2023 is ended on June 30, 2023. FY 2024 is ending on June 30, 2024.

Note 2: Adjusted income/(loss) is a non-GAAP financial measure. For a reconciliation of net income/(loss) to adjusted net income/(loss), see appendix.

Note 3: As of March 31, 2024.

Note 4: Gross billings of individual online learning services is a non-GAAP financial measure. For a reconciliation of revenues of individual online learning services to gross billings of individual online learning services, see appendix.

Note 5: For the third quarter of FY 2024.



Our Key Strengths



Innovative learning journey leading to strong user engagement



In-house content development team and monitoring system



Robust technology infrastructure and business intelligence



Efficient customer acquisition driving rapid growth



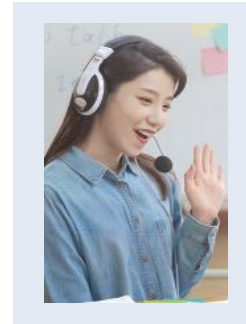
Innovative learning journey leads to strong user engagement

A livestreaming-centric approach to deliver an exceptional online learning experience and attract users. It fosters a truly interactive and enriching environment that drives strong user engagement.

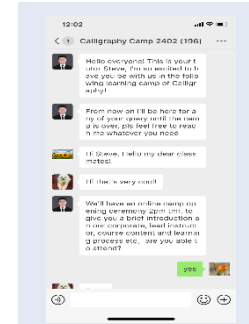
We create an engaging learning community for our users



Register as our users



Take introductory courses



Engage in training camp communities

Introductory Courses-

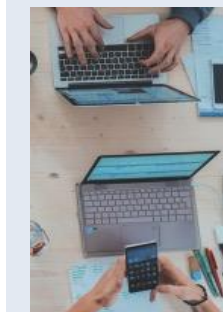
- A service-driven process to acquire customers
- Livestreaming to over 100,000 learners at a time
- Interact with learners in real-time

Premium Courses-

- Various forms of delivery enhance the quality of learning experience



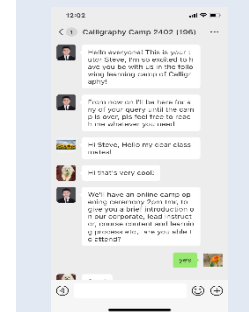
Live-stream courses



Pre-recorded audio and video courses



Mini-lectures



Learning communities



Customized 1on1 tutoring

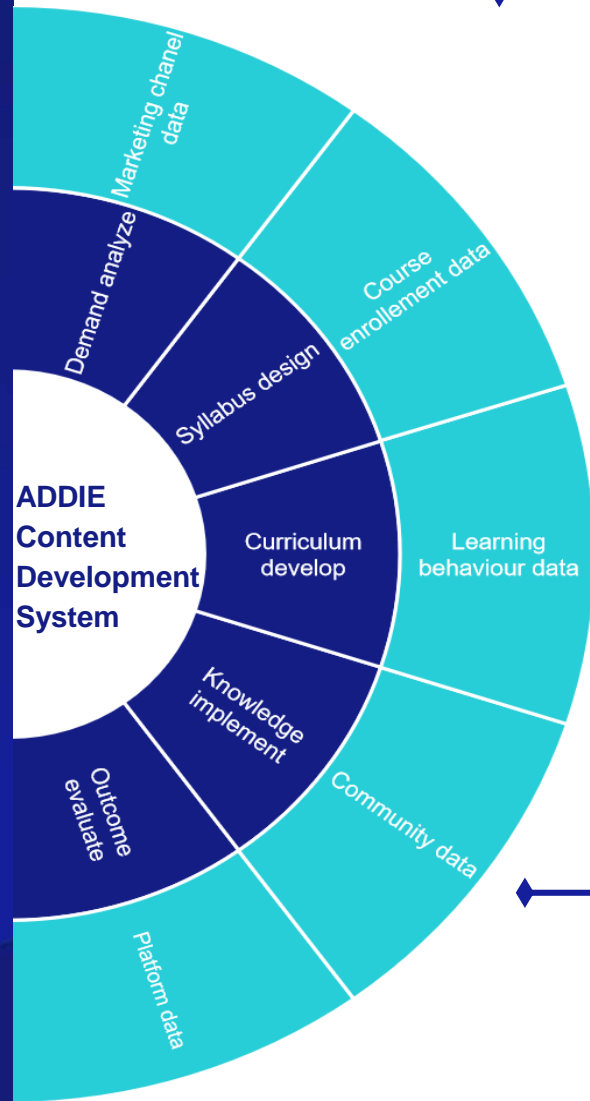


Online & offline activities



In-house content development team and monitoring system

IT system-based analytics support efficient content launch and update.



We design and develop course content in-house to translate sophisticated concepts into practical, easy-to-adopt skills.



- Learner survey/market research
- Course blueprint design
- Beta testing learners' feedback



- Set course goals
- Target population and delivery style



- Project-based learning methodology



- In-house developed intelligent study toolkits



- Internal grading scale

We implement manual and real-time intelligent content monitoring for exceptional course delivery.



- Allow instructors and tutors to hone teaching techniques
- Generate constructive feedback for improvement



Robust technology infrastructure and business intelligence

Back-end system integration, allowing for shortened time-to-market course launch with minimal marginal R&D investment

Proprietary Tech-sys	Strength	Key Features
Livestreaming System	Steady and reliable streaming service	<ul style="list-style-type: none">• Flexible Microservice Architecture• Diversified Content Delivery Network• Https Secure Transmission Protocol• Gateway Dynamic Routing
Intelligent Study Toolkits	Strong learner engagement	<ul style="list-style-type: none">• More than 50 hands-on intelligent tools• Toolkits allow learners to apply knowledge
Business Intelligent System	Monitor and evaluate key performance indicators	<ul style="list-style-type: none">• Intelligent marketing system• Intelligent interactive system• Intelligent content development system• Intelligent content monitoring system
Business Operation	Strengthen understanding of users and optimize operations	<ul style="list-style-type: none">• Customer Acquisition• Customer Retention• Course Content• Cost Control



Technology is the backbone of our highly scalable business model. Our proprietary AI technology and the large volume of data generated from operations enables superior user experience, course offerings, and operating efficiency.



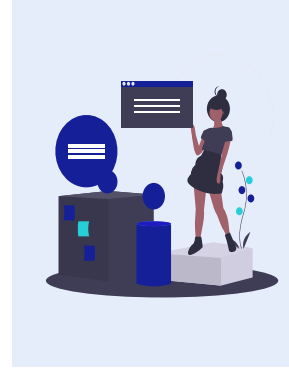
**Strong top
funnel and
efficient
customer
acquisition**

**Low acquisition cost and
efficient marketing drive
scalable adoption and
upsell and repeat
purchase opportunities**

← Individual Online Learning Service →

← Enterprise Service →

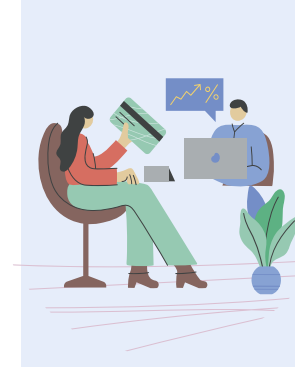
← Live-e-commerce (private-label) →



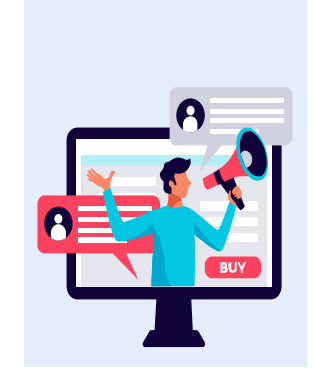
Social Media Campaign



Content Community



Business Development



Registered users

Introductory
courses

Premium
courses

Mini-
lectures

Marketing
service

Chinese-liquor

Enterprise talent
management

Live-e-commerce

Upsell

Upsell and
repeat purchase

Business upsell

Upsell and cross-sell

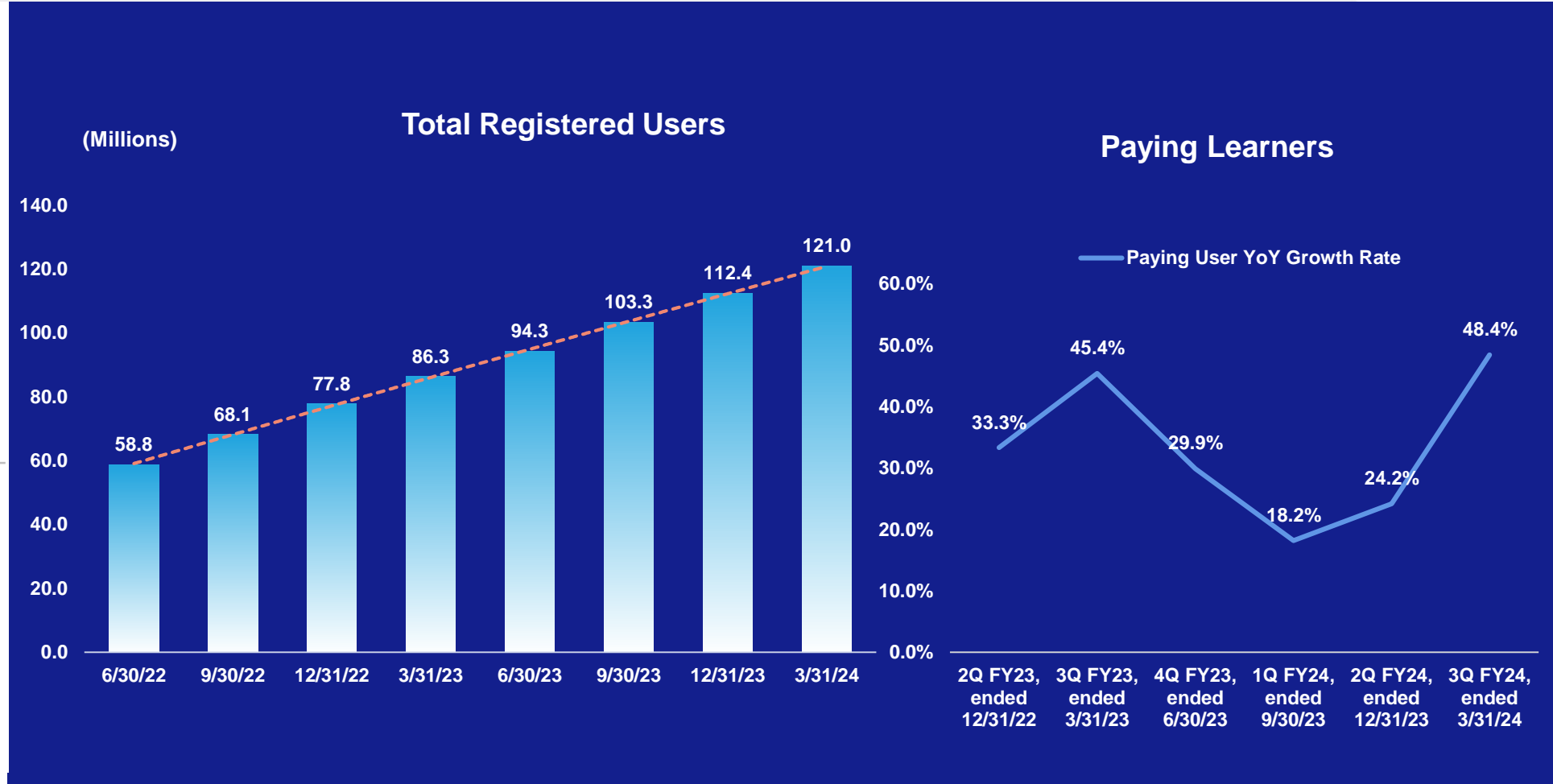


Financial Highlights

Third Quarter FY 2024

01 Strong registered user growth

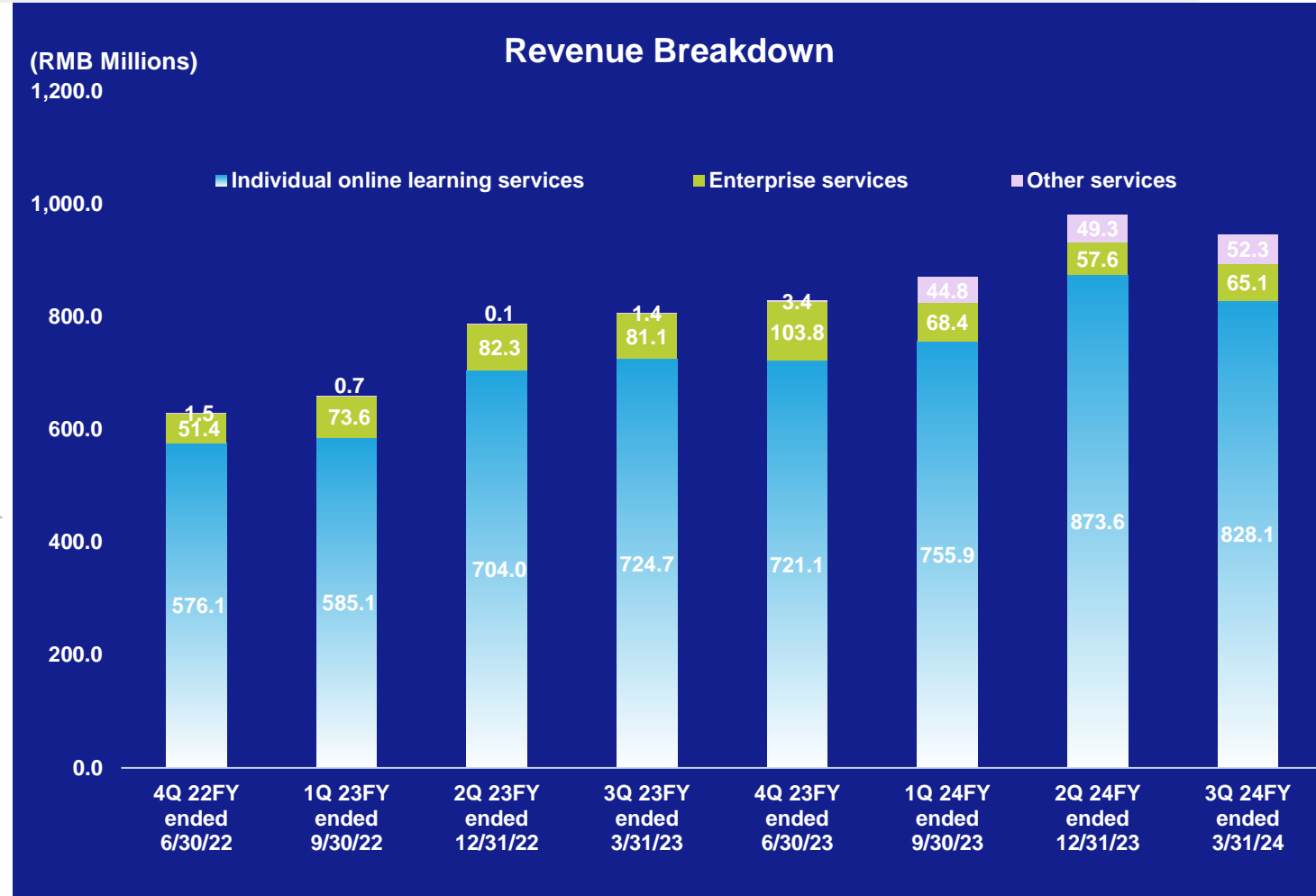
- **Total registered users** increased by 40.3% to approximately 121.0 million as of March 31, 2024, from 86.3 million as of March 31, 2023.
- **Paying learners** increased by 48.4% year over year to approximately 0.5 million in the third quarter of FY 2024.



02

Various markets and diversified revenue streams

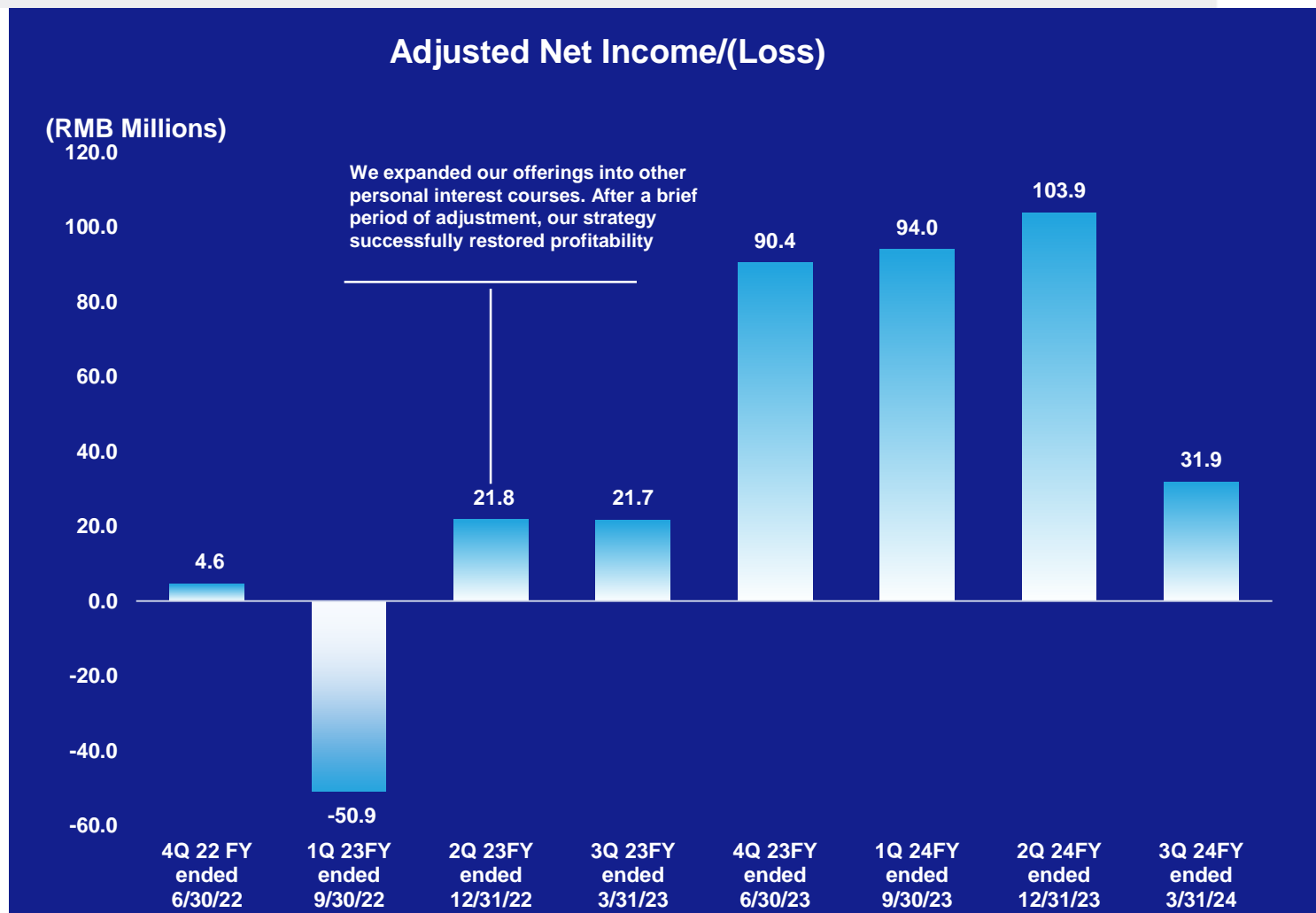
- **Revenues** for the third quarter of FY 2024 were RMB945.6 million (US\$131.0 million), representing a change of 3.6% from the second quarter of the fiscal year ending June 30, 2024 (the “second quarter of FY 2024”) and an increase of 17.1% from the third quarter of the fiscal year ended June 30, 2023 (the “third quarter of FY 2023”).



03

Improving efficiency and profitability

- Adjusted net income¹ for the third quarter of FY 2024 was RMB31.9 million (US\$4.4 million), compared with RMB103.9 million in the second quarter of FY 2024, and RMB21.7 million in the third quarter of FY 2023.



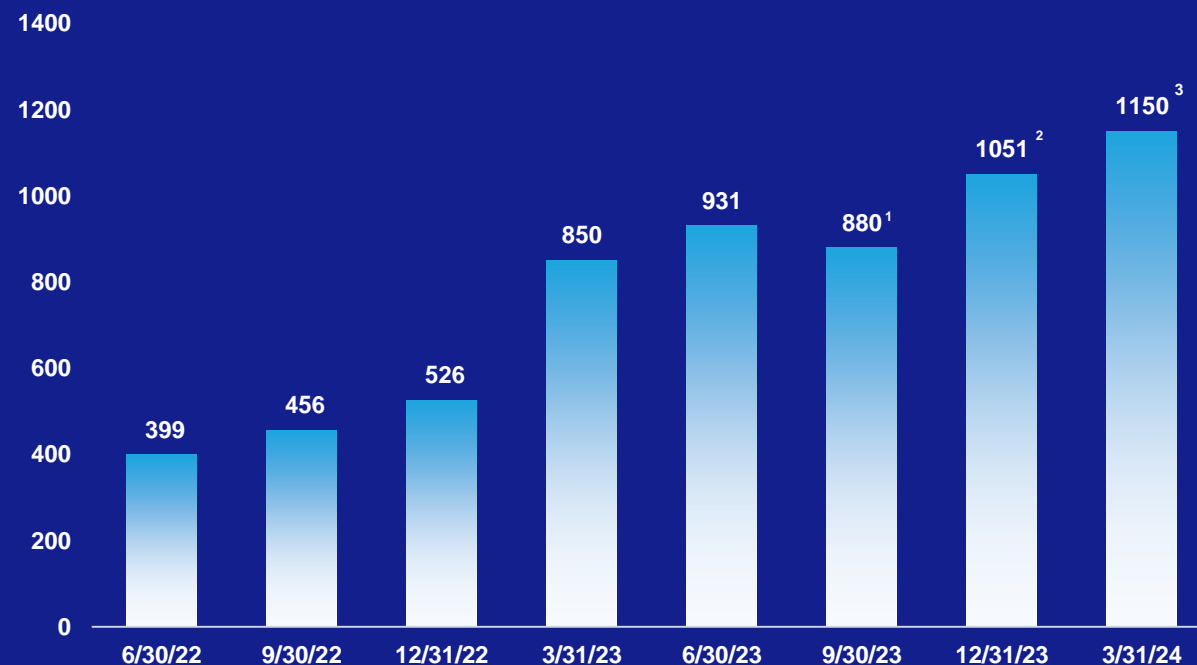
Note 1: Adjusted net income/(loss) is a non-GAAP financial measure. For a reconciliation of net income/(loss) to adjusted net income/(loss), see appendix.

04 Solid cash reserves

- **Cash and cash equivalents** exhibited substantial growth, which provides the company with enhanced financial stability, flexibility, and the ability to pursue growth opportunities.

Cash and Cash Equivalents, Restricted Cash and Short-term Investments

(RMB Millions)



Note 1: As of September 30, 2023, the Company has cumulatively repurchased an aggregate of approximately 1.2 million ADSs for approximately US\$6.9 million under the Share Repurchase Program.

Note 2: As of December 31, 2023, the Company had cumulatively repurchased an aggregate of approximately 1.6 million ADSs for approximately US\$7.8 million under the Share Repurchase Program.

Note 3: As of March 31, 2024, the Company had cumulatively repurchased an aggregate of approximately 2.6 million ADSs for approximately US\$11.5 million under the Share Repurchase Program.

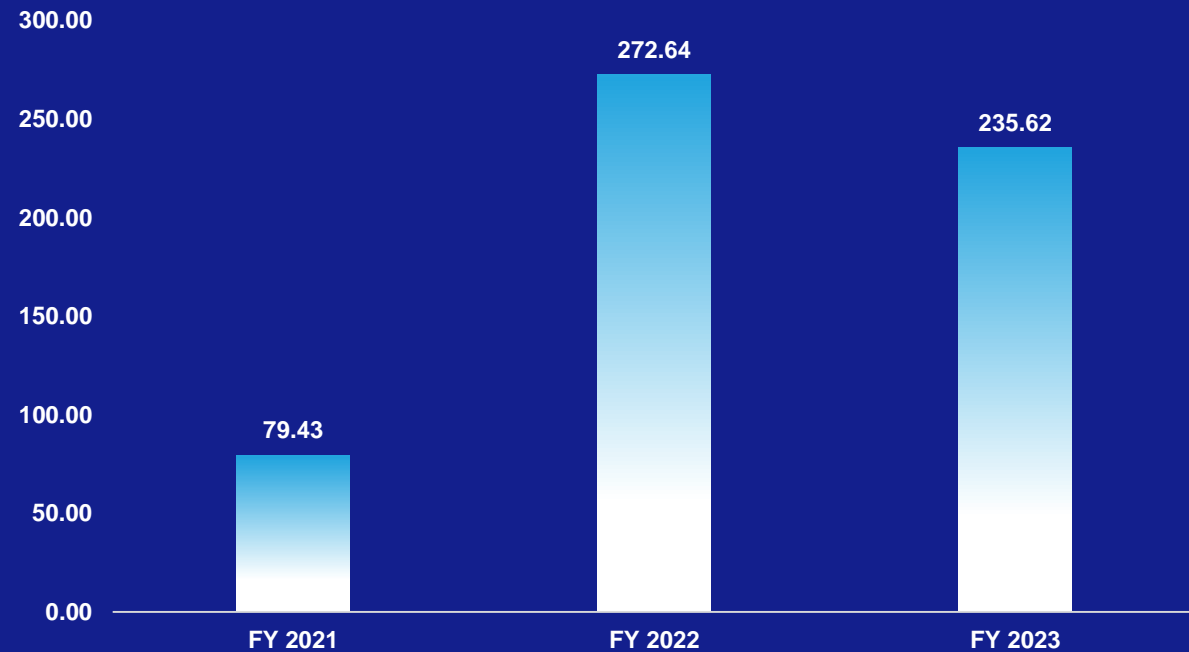
05

Strong operating cash flow

- **Net cash provided by operating activities** increased significantly since FY 2021, signifying a robust positive trend in the company's capacity to generate cash from its fundamental business operations.

Net Cash Provided by Operating Activities

(RMB Millions)





QUANTASING

Appendix

Unaudited condensed consolidated balance sheets

(Amounts in thousands, except for share and per share data)

	As of		
	June 30,	March 31,	March 31,
	2023	2024	2024
	RMB	RMB	US\$
ASSETS			
Current assets:			
Cash and cash equivalents	764,281	971,575	134,562
Short-term investments	166,303	178,367	24,704
Accounts receivable, net	12,251	28,564	3,956
Amounts due from related parties	29,116	2,291	317
Inventory, net	-	7,185	995
Prepayments and other current assets	136,681	182,877	25,328
Total current assets	1,108,632	1,370,859	189,862
Non-current assets:			
Property and equipment, net	7,409	6,700	928
Intangible assets, net	-	2,807	389
Operating lease right-of-use assets	84,009	64,891	8,987
Deferred tax assets	2,084	13,721	1,900
Goodwill	-	7,389	1,023
Other non-current assets	21,296	21,365	2,959
Total non-current assets	114,798	116,873	16,186
TOTAL ASSETS	1,223,430	1,487,732	206,048
LIABILITIES			
Current liabilities:			
Accounts payables	62,094	87,001	12,049
Accrued expenses and other current liabilities	171,160	222,664	30,839
Income tax payable	8,794	5,103	707
Contract liabilities, current portion	517,213	527,948	73,120
Advance from customers	144,397	201,124	27,855
Operating lease liabilities, current portion	41,092	46,277	6,409
Total current liabilities	944,750	1,090,117	150,979
Non-current liabilities:			
Contract liabilities, non-current portion	7	-	-
Operating lease liabilities, non-current portion	52,840	29,359	4,066
Total non-current liabilities	52,847	29,359	4,066
TOTAL LIABILITIES	997,597	1,119,476	155,045

Unaudited condensed consolidated balance sheets – continued

(Amounts in thousands, except for share and per share data)

	As of		
	June 30,	March 31,	March 31,
	2023	2024	2024
	RMB	RMB	US\$
SHAREHOLDERS' EQUITY			
Class A ordinary shares	78	81	11
Class B ordinary shares	34	34	5
Treasury stock	-	(75,189)	(10,414)
Additional paid-in capital	1,171,092	1,206,870	167,150
Accumulated other comprehensive income	22,182	17,228	2,386
Accumulative deficit	(969,688)	(780,768)	(108,135)
TOTAL QUANTASING GROUP LIMITED SHAREHOLDERS' EQUITY	223,698	368,256	51,003
Non-controlling interests	2,135	-	-
TOTAL SHAREHOLDERS' EQUITY	225,833	368,256	51,003
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,223,430	1,487,732	206,048

Unaudited condensed consolidated statements of operations and comprehensive income/(loss)

(Amounts in thousands, except for shares and per share data)

	For the Three Months Ended March 31,			For the Nine Months Ended March 31,		
	2023 RMB	2024 RMB	2024 US\$	2023 RMB	2024 RMB	2024 US\$
Revenues	807,243	945,570	130,960	2,253,034	2,795,248	387,137
Cost of revenues	(101,057)	(145,848)	(20,200)	(275,372)	(409,058)	(56,654)
Gross Profit	706,186	799,722	110,760	1,977,662	2,386,190	330,483
Operating expenses:						
Sales and marketing expenses	(631,380)	(729,620)	(101,051)	(1,835,439)	(2,006,884)	(277,950)
Research and development expenses	(49,601)	(38,840)	(5,379)	(166,171)	(123,655)	(17,126)
General and administrative expenses	(48,309)	(36,390)	(5,040)	(137,225)	(114,211)	(15,818)
Total operating expenses	(729,290)	(804,850)	(111,470)	(2,138,835)	(2,244,750)	(310,894)
(Loss)/Income from operations	(23,104)	(5,128)	(710)	(161,173)	141,440	19,589
Other income:						
Interest income	1,811	2,513	348	2,659	8,369	1,159
Others, net	5,206	7,685	1,064	15,158	22,163	3,070
(Loss)/Income before income tax	(16,087)	5,070	702	(143,356)	171,972	23,818
Income tax (expense)/benefit	(6,576)	9,560	1,324	(17,986)	16,948	2,347
Net (loss)/ income	(22,663)	14,630	2,026	(161,342)	188,920	26,165
Other comprehensive income/(loss)						
Foreign currency translation adjustments, net of nil tax	3,461	423	59	4,798	(4,954)	(686)
Total other comprehensive income/(loss)	3,461	423	59	4,798	(4,954)	(686)
Total comprehensive (loss)/income	(19,202)	15,053	2,085	(156,544)	183,966	25,479
Net (loss)/Income	(22,663)	14,630	2,026	(161,342)	188,920	26,165
Accretion of the Company's preferred shares	(2,867)	-	-	(22,379)	-	-
Net (loss)/income attributable to ordinary shareholders of QuantaSing Group Limited	(25,530)	14,630	2,026	(183,721)	188,920	26,165
Net (loss)/income per ordinary share						
- Basic	(0.19)	0.09	0.01	(2.23)	1.14	0.16
- Diluted	(0.19)	0.09	0.01	(2.23)	1.10	0.15
Weighted average number of ordinary shares used in computing net (loss)/income per ordinary share						
- Basic	135,768,739	164,753,256	164,753,256	82,295,042	166,399,349	166,399,349
- Diluted	135,768,739	170,890,581	170,890,581	82,295,042	171,089,530	171,089,530
Share-based compensation expenses included in						
Cost of revenues	(7,560)	(2,878)	(399)	(19,523)	(9,945)	(1,377)
Sales and marketing expenses	(12,318)	(2,779)	(385)	(39,934)	8,678	1,202
Research and development expenses	(8,762)	(3,599)	(498)	(41,269)	(10,611)	(1,470)
General and administrative expenses	(15,719)	(8,039)	(1,113)	(53,167)	(28,961)	(4,011)

Unaudited reconciliation of GAAP and Non-GAAP results

(Amounts in thousands, except for share and per share data)

The following table below sets forth a reconciliation of revenues to gross billings for the periods indicated:

	For the Three Months Ended March 31,			For the Nine Months Ended March 31,		
	2023 RMB	2024 RMB	2024 US\$	2023 RMB	2024 RMB	2024 US\$
Revenues of individual online learning services:	724,716	828,127	114,694	2,013,784	2,457,588	340,372
Add: value-added tax	46,213	52,986	7,338	127,929	147,665	20,451
Add: ending deferred revenues ⁽¹⁾	677,272	744,320	103,087	677,272	744,320	103,087
Less: beginning deferred revenues ⁽¹⁾	(644,586)	(643,929)	(89,183)	(531,662)	(661,360)	(91,597)
Gross billings of individual online learning services	803,615	981,504	135,936	2,287,323	2,688,213	372,313

(1) Deferred revenues include contract liabilities, advance from customers, and refund liability of individual online learning services included in “accrued expenses and other current liabilities.”

Unaudited reconciliation of GAAP and Non-GAAP results – continued


(Amounts in thousands, except for share and per share data)

The following table below sets forth a reconciliation of net (loss)/income to adjusted net income/(loss) and basic and diluted net (loss)/income per share to basic and diluted adjusted net income/(loss) per share for the periods indicated:

	For the Three Months Ended March 31,			For Nine Months Ended March 31,		
	2023 RMB	2024 RMB	2024 US\$	2023 RMB	2024 RMB	2024 US\$
Net (loss)/income	(22,663)	14,630	2,026	(161,342)	188,920	26,165
Add: Share-based compensation	44,359	17,295	2,395	153,893	40,839	5,656
Adjusted net income/(loss)	21,696	31,925	4,421	(7,449)	229,759	31,821
Accretion of the Company's preferred shares	(2,867)	-	-	(22,379)	-	-
Income allocation to participating preferred shares	(3,431)	-	-	-	-	-
Adjusted net income/(loss) attributable to ordinary shareholders of QuantaSing Group Limited	15,398	31,925	4,421	(29,828)	229,759	31,821
Weighted average number of ordinary shares used in computing net (loss)/income per ordinary share						
- Basic	135,768,739	164,753,256	164,753,256	82,295,042	166,399,349	166,399,349
- Diluted	135,768,739	170,890,581	170,890,581	82,295,042	171,089,530	171,089,530
Weighted average number of ordinary shares used in computing adjusted net income/(loss) per ordinary share						
- Basic	135,768,739	164,753,256	164,753,256	82,295,042	166,399,349	166,399,349
- Diluted	142,354,949	170,890,581	170,890,581	82,295,042	171,089,530	171,089,530
Net (loss)/income per ordinary share						
- Basic	(0.19)	0.09	0.01	(2.23)	1.14	0.16
- Diluted	(0.19)	0.09	0.01	(2.23)	1.10	0.15
Non-GAAP adjustments to net (loss)/income per ordinary share						
- Basic	0.30	0.10	0.02	1.87	0.24	0.03
- Diluted	0.30	0.10	0.02	1.87	0.24	0.04
Adjusted net income/(loss) per ordinary share						
- Basic	0.11	0.19	0.03	(0.36)	1.38	0.19
- Diluted	0.11	0.19	0.03	(0.36)	1.34	0.19

THANK YOU

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