

# **Investor Presentation**

First Quarter, Fiscal Year 2024



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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," "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 RMB7.2960 to US\$1.00, the exchange rate on September 30, 2023, 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's Mission

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





### **QuantaSing at a Glance**

Financial figures shown are for the first quarter of FY 2024<sup>1</sup>, which refers to the period from July 1, 2023 to September 30, 2023



RMB 869.1 Million

Revenues

+31.8% Y/Y



RMB 94.0 Million

Adjusted net income<sup>2</sup>

284.7% Y/Y



**103.3** Million

Total registered users<sup>3</sup>

+51.9% Y/Y



RMB 762.1 Million

**Gross billings of individual** online learning services<sup>4</sup>

+14.6% Y/Y



RMB 879.9 Million

Cash and cash equivalents and short-term investments

+92.8%Y/Y



0.3 Million

Paying learners<sup>5</sup>

+18.2% Y/Y

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

Note 2: Adjusted net (loss)/income is a non-GAAP financial measure. For a reconciliation of net (loss)/income, see appendix. First quarter FY 2024 adjusted net income turned around to a profit of \$94.0 million for the first quarter of FY 2024 from a loss of \$50.9 million in the same period last year. YoY Change% = (94-(-50.9))/50.9\*100% = 284.7%.

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.



## **China's Fast-Growing Adult Learning Market and QSG's Solutions**

### **Market Opportunities**

- Strong demand for personal development and the concept of lifelong learning
  - Projected CAGR of 12.6% for China's adult learning market by revenue from 2022 to 2027<sup>1</sup>
  - Projected CAGR of 14.1% for China's individual adult personal interest learning market by revenue from 2022 to 2027<sup>2</sup>
  - Market size of senior adult learning market by revenue has grown from RMB9.6 billion in 2018 to RMB28 billion in 2022 with a CAGR of 30.7% from 2018 to 2022.<sup>3</sup>
  - Senior population in China to rise from 18.7% (2020) to 28% (2040) <sup>4</sup>
- Demand for diversified and enhanced courses
- Transition from offline to online driven by technological advances

#### **Our Solutions**

- China's largest learning platform offering adult personal interest courses<sup>5</sup>
- Diversified course offerings and an in-house content development team
- Exceptional online learning experience through a service-driven "Dual-instructor" approach and online community training
- Fast-evolving technological infrastructure

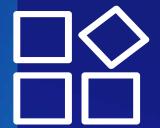
Note 1: According to Frost & Sullivan report, the market size of China's adult learning industry in terms of revenue was RMB576.2 billion in 2022, and is expected to increase to RMB1,043.2 billion in 2027, representing a CAGR of 12.6% from 2022 to 2027.

Note 2: 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 3: Frost & Sullivan Industry Report

Note 4: World Health Organization data

Note 5: QSG is the largest online individual adult learning service provider in China, in terms of revenue for 2022 and holding first place, in terms of revenue, in China's adult personal interest learning market for the second consecutive year in 2022, in terms of revenue, according to Frost & Sullivan report.



# Our Products and Services



Our diversified course offerings position us for robust growth for the long-term.



Our scalable business model facilitates the rapid launch of new opportunities.

# QiNiu: Largest Online Financial Learning Service Provider for Adults in China<sup>1</sup>





Launched in July 2019

#### **Vast Untapped Financial Literacy Market in China**

• Financial Literacy Rate in China is lower than 35%<sup>2</sup>, which is significantly lower than in the US (57%) or the UK (67%).

### **Rapidly Growing Market with Tremendous Opportunities**

2022-2027E market size: 21.3% CAGR<sup>3</sup>

### **Customized Course Offerings and Enhanced Learner Satisfaction**

- Repurchase rate have consistently remained at approximately 60% and above for 5 quarters.
- Optimized instructor assignments to shorten the course cycle.
- Introduced a learning tool for understanding ETFs and REITs.

Hosted the QiNiu anniversary event on July 18.

# JiangZhen: A Comprehensive Upskilling Platform for Personal Growth

Applying our established curriculum development system and teaching mode, proven customer acquisition strategy, and proprietary technology platform





Launched in August 2021

#### Achieved a satisfaction rate of 98.5%

- Integrated AI tools into short-video production courses.
- Adapting to market shifts and user preferences, we continually enrich our interactive content. This involves introducing a 'Weekly Insight' section with analyses on trending topics and livestreaming platform rule updates.
- Hosted memory competition to foster a more engaging environment.

## **Enterprise Service: Business Upsell**

- Marketing services for enterprises
- Enterprise talent management services

## QianChi: An Interest-based Learning Platform for Silver Learners





Launched in June 2022



- Market Size of Selliof Addit Learning Market III China, by Neverto
  - Consistently grow our user base and enhance learner satisfaction and interaction through an "online-offline" integrated approach.
  - Customized the user interface to be more senior-friendly.

## **Live E-commerce – Chinese Liquor**

#### 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.



During Q1 FY2024, our live e-commerce business generated RMB 41.9 million in Gross Merchandise Value (GMV)





**Leveraging Our Existing Customer Base** 



**Enhancing Customer Value Proposition** 



**Connecting Customers with Relevant Content** 



**Synergizing Operational Systems and IT Infrastructure** 



Innovative learning journey leads to strong user engagement

A service-driven "dualinstructor" approach to provide exceptional online learning experience. Support a truly interactive and enriching experience for strong user engagement.

#### ← Introductory Course Experience → ← Premium Course Experience



#### **Lead Instructor**

- Livestreaming to over 100,000 learners at a time
- Interact with learners in real-time
- Efficiently fostering demand for premium courses
- Pre-recorded lectures on professional content
- Supplemental Q&A live courses

#### **Off-class Tutor**

- Training camp communities
- Smaller groups with off-class tutor support
- Answer questions and follow-up queries
- Drive user engagement and improve learning experience
- Intelligent study toolkits

Low-cost paying learner traffic

Active engagement with learners at scale

Higher customer lifetime value



In-house content development team and monitoring system

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

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





- 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

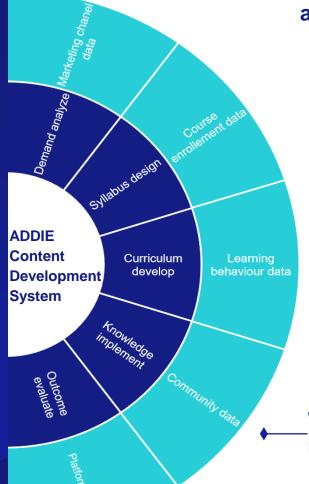


Internal grading scale

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



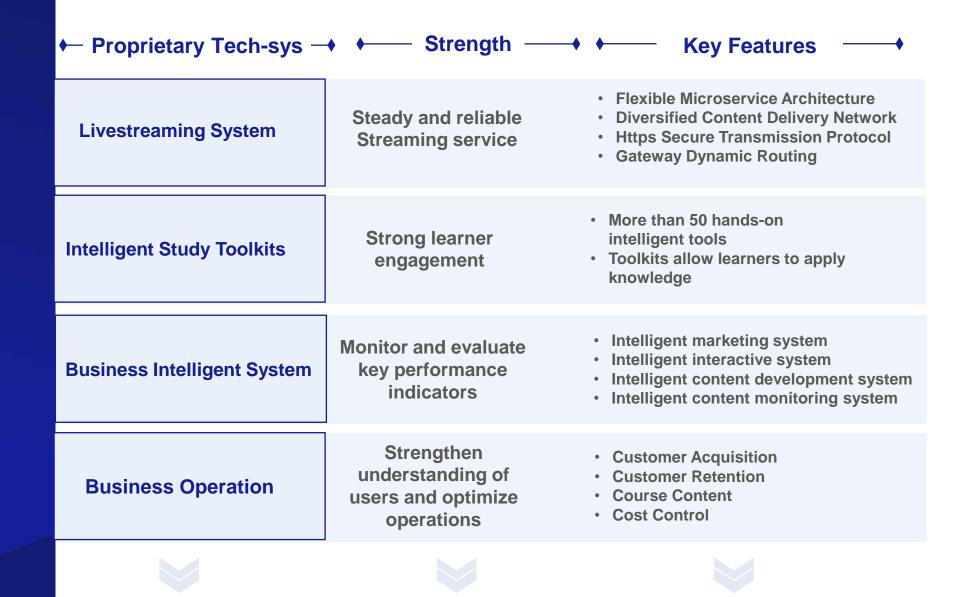
- Allow instructors and tutors to hone teaching techniques
- Generate constructive feedback for improvement





Robust technology infrastructure and business intelligence

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

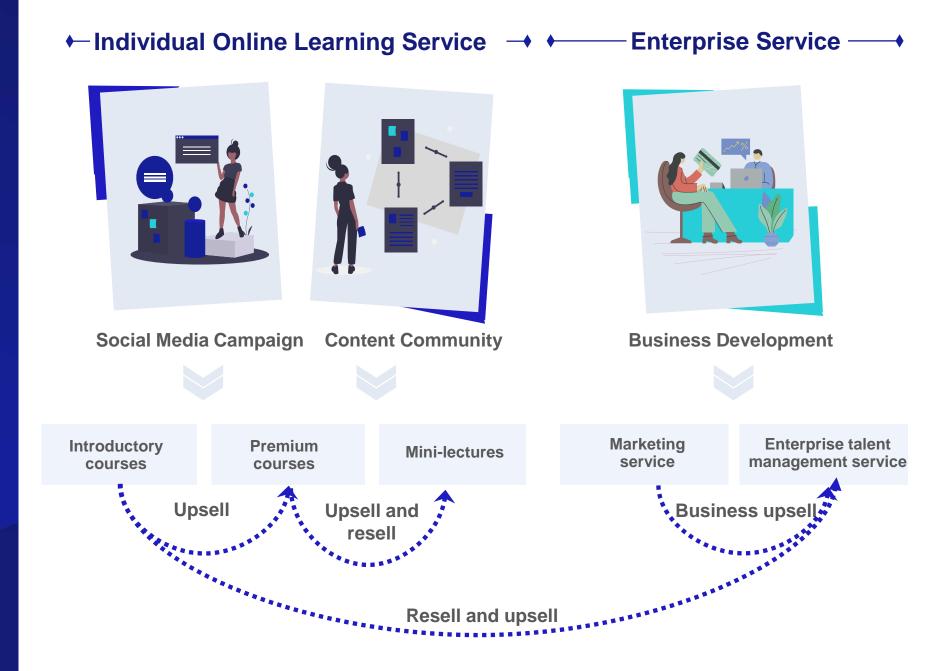


Technology is the backbone of our highly scalable business mode. Our proprietary AI technology and the large volume of data generated from operations, enables superior user experience, course offerings, and operating efficiency.



Strong top funnel and efficient customer acquisition

Low acquisition cost and efficient marketing drive scalable adoption, upsell and resell opportunities



## **Growth Strategy**



## Grow user base and drive user engagement

- Expand user base and achieve effective conversion
- Improve content marketing campaign accuracy
- Drive learner engagement and retention

## Enrich course offerings with proven demand

- Explore new curriculums and develop new course subjects
- Focus on course design and premium course upsell
- Implement a multi-branded online platform strategy

## Develop enterprise services to achieve greater synergy

- Explore new ways to cross-sell add-on services
- Enhance customer life-time value
- Launch SaaS services to enterprises

## Invest in technology and data analytics

- Develop proprietary live streaming technologies
- Invest in technology-empowered interactive features
- Enhance data analytics capabilities

#### Attract and cultivate talent

- Selectively attract qualified instructors
- Hire experienced instructors laterally
- Provide systematic training to emerging talents

## Expand overseas and pursue strategic collaborations

- Export online learning platform technology and services to overseas enterprises
- Selectively pursue strategic cooperation and acquisition





# **Investment Highlights**



China's largest learning platform offering adult personal interest courses with strong growth trajectory



Innovative learning journey leading to strong user engagement



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

# Our Commitment to the Online Learning Industry and Social Responsibility



#### **Social Responsibility**



On March 27th, QiNiu, our online platform for financial literacy courses for adult learners, together with the Hong Foundation, set up the *Library of Love Initiative* in Anxin County, Hebei Province.



During 4Q FY2023, we once again coauthored the *Financial Literacy White Book* with industry experts and authoritative organizations. This research serves as a guiding light for institutions seeking to expand financial learning across the nation.

#### **Awards and Recognition**

#### January 2023



Council Member Beijing Internet Finance Industry Association (BJIFIA).



#### February 2023

China Industry-University-Research Cooperation Innovation Demonstration Enterprises
China Industry-University-Research Institute
Collaboration Association (CIUR).

#### **March 2023**



New Professional Training Enterprises in 2022 Beijing's Chaoyang District Human Resources and Social Security Bureau



#### **July 2023**

Flagship Enterprise for Sustainable Development, 12<sup>th</sup> CFS 2023



#### September 2023

Corporate Social Responsibility Star 2023 China International Fair for Trade in Services





# First Quarter FY 2024



# **N**1 Strong registered user growth

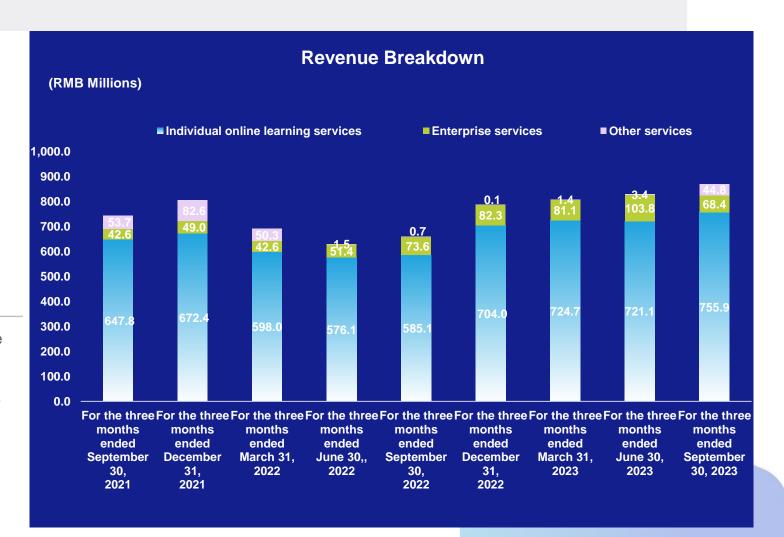
- Total registered users increased by 51.9% to approximately 103.3 million as of September 30, 2023, from 68.1 million as of September 30, 2022.
- Paying learners increased by 18.2% year over year to approximately 0.3 million in the first quarter of FY 2024.





# **N2**Various markets and diversified revenue streams

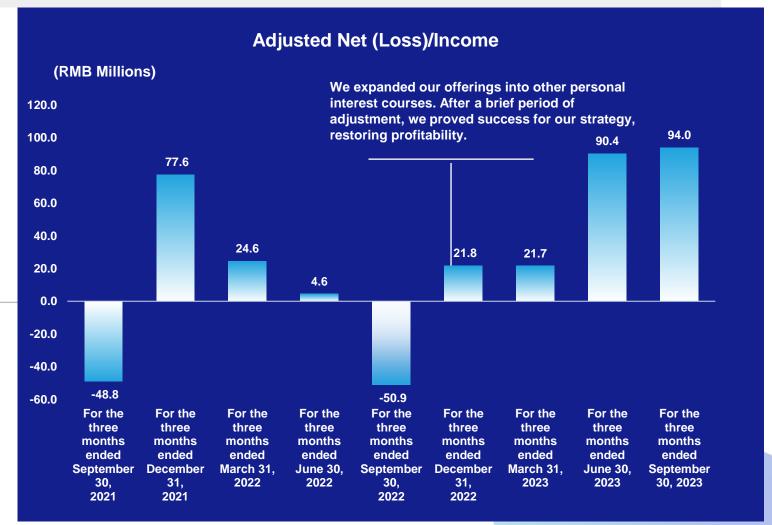
Revenues for the first quarter of FY 2024 were RMB869.1 million (US\$119.1 million), representing an increase of 4.9% from the fourth quarter of the fiscal year ended June 30, 2023 (the "fourth quarter of FY 2023") and an increase of 31.8% from the first quarter of the fiscal year ended June 30, 2023 (the "first quarter of FY 2023").





# **103**Improving efficiency and profitability

 Adjusted net income<sup>1</sup> for the first quarter of FY 2024 was RMB94.0 million (US\$12.9 million), compared with RMB90.4 million in the fourth quarter of FY 2023, and an adjusted net loss of RMB50.9 million in the first quarter of FY 2023.

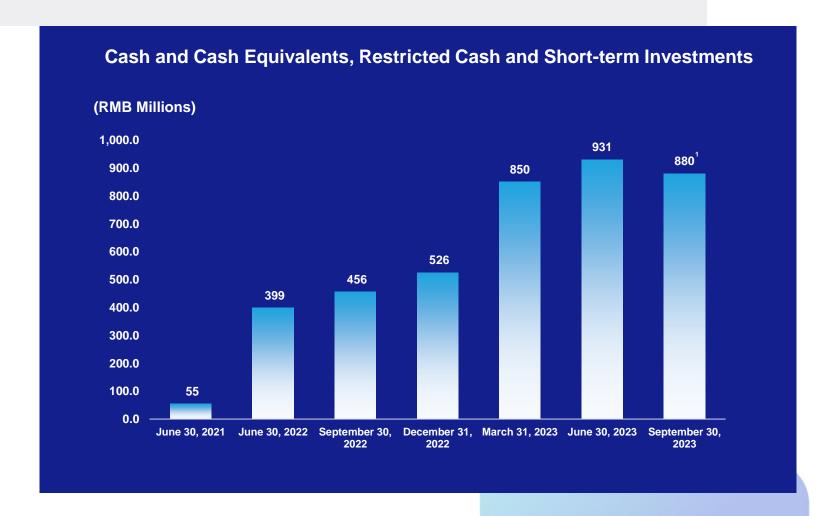


Note 1: Adjusted net (loss)/income is a non-GAAP financial measure. For a reconciliation of net (loss)/income to adjusted net (loss)/income, see appendix.



# **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.

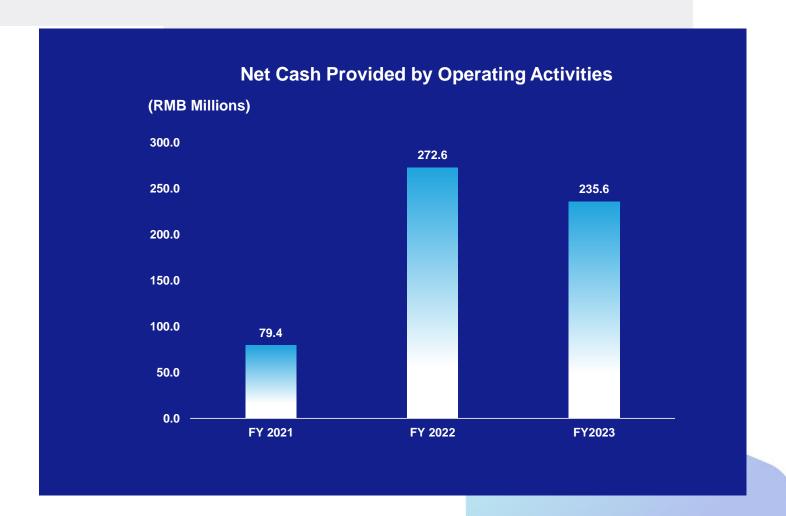




# 05

# 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.







# **Appendix**

## Unaudited condensed consolidated balance sheets



As of

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

ASSETS		June 30,	September 30,		
ASSETS           Current assets:           Cash and cash equivalents         764,281         691,812         94,821           Short-term investments         166,303         188,076         25,778           Accounts receivable, net         12,251         24,871         3,409           Amounts due from related parties         29,116         2,391         328           Inventory, net         136,632         186,666         25,582           Prepayments and other current assets         136,662         151,599         152,904           Non-current assets         1,108,632         1,115,599         152,904           Non-current assets         7,409         7,706         1,058           Intragible assets, net         7,409         7,706         1,058           Operating lease right-of-use assets         84,009         75,684         10,313           Oberered tax assets         8,009         75,684         10,913           Oberating lease right-of-use assets         2,084         1,918         1,496           Goodwill         1,084         1,949         1,093           Oberating lease issets         114,798         125,155         17,158           TOTAL ASSETS         114,799		2023	2023		
Current assets:         764,281         691,812         94,821           Cash and cash equivalents         166,303         188,076         25,778           Accounts receivable, net         16,6303         188,076         25,778           Accounts receivable, net         12,251         24,871         3,409           Amounts due from related parties         29,116         2,391         328           Inventory, net         21,783         2,986         25,582           Prepayments and other current assets         136,681         186,666         25,582           Total current assets         1,108,652         1,115,599         152,000           Prepayments and other current assets         7,409         7,706         1,056           Intangible assets, net         7,409         7,706         1,056           Intangible assets, net         2,84         10,918         1,496           Goodwill         7,889         1,037         2,882           Operating lease right-of-use assets         8,400         75,884         1,091           Goodwill         7,889         1,037         2,982           Other non-current assets         114,798         125,185         17,158           TOTAL ASSETS         1,223,430		RMB	RMB	US\$	
Cash and cash equivalents         764,281         691,812         94,821           Short-term investments         166,303         188,076         25,778           Accounts receivable, net         12,251         24,871         3,409           Amounts due from related parties         29,116         2,391         328           Inventory, net         136,681         186,666         25,582           Total current assets         1,108,632         1,115,599         152,904           Non-current assets         7,409         7,706         1,556           Intagible assets, net         7,409         7,706         1,056           Intagible assets, net         7,409         7,568         10,373           Deferred tax assets         84,009         75,568         10,373           Deferred tax assets         2,084         10,918         1,496           Goodwill         2,284         10,918         1,496           Total non-current assets         21,296         20,368         2,792           TOTAL ASSETS         112,343         1,20,784         170,602           TOTAL ASSETS         8,007         1,006           Current liabilities         8,007         1,006           LIABILITIES	ASSETS				
Short-term investments         166,303         188,076         25,78           Accounts receivable, net         12,251         24,871         3,409           Amounts due from related parties         29,116         2,313         328           Inventory, net         20,116         21,783         2,986           Prepayments and other current assets         136,681         186,666         25,582           Total current assets         1,108,632         1,115,599         152,904           Non-current assets         7,409         7,706         1,056           Intangible assets, net         7,409         7,706         1,056           Operating lease right-of-use assets         84,009         75,684         10,373           Deferred tax assets         2,084         10,918         1,496           Goodwill         -         7,389         1,013           Other non-current assets         21,296         20,368         2,792           Total non-current assets         114,798         125,185         17,158           TOTAL ASSETS         114,798         125,185         17,158           TOTAL MSSETS         62,094         80,077         10,975           Accounts payables         62,094         80,077	Current assets:				
Accounts receivable, net         12,251         24,871         3,09           Amounts due from related parties         29,116         2,391         328           Inventory, net         -         1,286         25,882           Prepayments and other current assets         136,681         186,666         25,582           Total current assets         1,108,632         1,115,599         152,904           Non-current assets         7,409         7,706         1,056           Intangible assets, net         -         3,120         428           Operating lease right-of-use assets         84,009         75,684         10,33           Deferred tax assets         2,084         10,918         1,496           Goodwill         -         7,389         1,013           Other non-current assets         21,296         20,368         2,792           Total non-current assets         114,798         125,185         17,158           Total LASSETS         112,23,400         1,20,684         17,018           Current liabilities         62,094         80,077         10,975           Accounts payable         62,094         80,077         24,329           Income tax payable         62,094         8,501 <td< td=""><td>Cash and cash equivalents</td><td>764,28</td><td>1 691,812</td><td>94,821</td></td<>	Cash and cash equivalents	764,28	1 691,812	94,821	
Amounts due from related parties         29,116         2,391         328           Inventory, net         - 21,783         2,986           Prepayments and other current assets         136,681         186,666         25,582           Total current assets         1,108,632         1,115,599         152,000           Non-current assets         7,409         7,706         1,056           Intangible assets, net         - 3,120         428           Operating lease right-of-use assets         84,009         75,684         10,373           Deferred tax assets         2,084         10,918         1,496           Goodwill         2,084         10,918         1,496           Other non-current assets         21,296         20,368         2,792           Total non-current assets         114,798         125,185         17,158           TOTAL ASSETS         1,224,034         1,240,784         170,062           LABILITIES         1,240,784         170,062         170,062           Current liabilities         62,094         80,077         1,075           Accrued expenses and other current liabilities         171,160         177,507         24,329           Income tax payable         62,094         8,007         1,0	Short-term investments	166,30	188,076	25,778	
Inventory, net         -         21,783         2,986           Prepayments and other current assets         136,681         186,666         25,582           Total current assets         1,108,632         1,115,599         152,904           Non-current assets         -         7,009         7,706         1,056           Intangible assets, net         9         7,064         1,056           Operating lease right-of-use assets         84,009         75,684         10,373           Deferred tax assets         2,084         10,918         1,496           Goodwill         -         7,389         1,013           Other non-current assets         21,296         20,368         2,798           Total non-current assets         114,798         125,185         17,158           TOTAL ASSETS         1,223,430         1,240,784         170,082           LIABILITIES         2	Accounts receivable, net	12,25	1 24,871	3,409	
Prepayments and other current assets         136,681         186,666         25,582           Total current assets         1,108,632         1,115,599         152,904           Non-current assets         7,409         7,706         1,056           Intangible assets, net         3,120         428           Operating lease right-of-use assets         84,009         75,584         10,373           Deferred tax assets         2,084         1,018         1,496           Goodwill         2,084         1,018         1,496           Other non-current assets         21,296         20,368         2,792           Total non-current assets         21,296         20,368         2,792           Total styles         1,22,340         1,240,784         170,686         2,792           Total non-current assets         21,296         20,368         2,792           Total non-current assets         21,296         20,368         2,792           Total courter assets         21,296         20,368         2,792           Total courter assets         21,296         8,077         10,075           Accounts payable         62,094         8,077         10,975           Accrued expenses and other current liabilities, current portion	Amounts due from related parties	29,11	5 2,391	328	
Total current assets         1,108,632         1,115,599         152,004           Non-current assets:         7,006         1,056           Property and equipment, net Intangible assets, net         7,006         1,058           Operating lease right-of-use assets         84,009         75,684         10,373           Deferred tax assets         2,084         10,918         1,496           Goodwill         1,296         2,0368         2,792           Other non-current assets         114,798         125,185         1,7158           Total non-current assets         114,798         125,185         17,158           TOTAL ASSETS         1,223,430         1,240,784         170,062           LIABILITIES         2         2,094         80,077         10,975           Accorust payables         62,094         80,077         10,975           Accorust payables         62,094         80,077         10,975           Accorust payable         8,794         8,510         1,166           Contract liabilities, current portion         517,213         477,263         65,414           Operating lease liabilities, current portion         41,092         33,938         4,652           Total current liabilities         7	Inventory, net		- 21,783	2,986	
Non-current assets:         7,409         7,706         1,056           Intangible assets, net         -         3,120         428           Operating lease right-of-use assets         84,009         75,684         10,373           Deferred tax assets         2,084         10,918         1,496           Goodwill         -         7,389         1,013           Other non-current assets         21,296         20,368         2,792           Total non-current assets         114,798         125,185         17,158           TOTAL ASSETS         1,223,430         1,240,784         170,062           LIABILITIES         TOTAL ASSETS         4,007         10,975           Accrued expenses and other current liabilities         62,094         80,077         10,975           Accrued expenses and other current liabilities         171,160         177,507         24,329           Income tax payable         8,794         8,510         1,166           Contract liabilities, current portion         517,213         477,263         55,414           Advance from customers         144,397         146,767         20,116           Operating lease liabilities, current portion         41,092         33,938         4,652           Total c	Prepayments and other current assets	136,68	186,666	25,582	
Property and equipment, net         7,409         7,706         1,056           Intangible assets, net         -         3,120         428           Operating lease right-of-use assets         84,009         75,684         10,373           Deferred tax assets         2,084         10,918         1,496           Goodwill         -         7,389         1,013           Other non-current assets         21,296         20,368         2,792           TOTAL ASSETS         114,798         125,185         17,158           TOTAL ASSETS         1,223,430         1,240,784         170,062           Current liabilities:         8         8         80,077         10,975           Accounts payables         62,094         80,077         10,975           Accrued expenses and other current liabilities         171,160         177,507         24,329           Income tax payable         8,794         8,510         1,166           Contract liabilities, current portion         517,213         477,263         65,414           Operating lease liabilities, current portion         41,092         33,938         4,652           Total current liabilities         7         -         -           Contract liabilities, non-current po	Total current assets	1,108,63	2 1,115,599	152,904	
Intangible assets, net         3,120         428           Operating lease right-of-use assets         84,009         75,684         10,373           Deferred tax assets         2,084         10,918         1,496           Goodwill         -         7,389         1,013           Other non-current assets         21,296         20,368         2,792           Total non-current assets         114,798         125,185         17,158           TOTAL ASSETS         1,223,430         1,240,784         170,062           LIABILITIES         Total individual	Non-current assets:				
Operating lease right-of-use assets         84,009         75,684         10,373           Deferred tax assets         2,084         10,918         1,496           Goodwill         -         7,389         1,013           Other non-current assets         21,296         20,368         2,798           TOTAL ASSETS         114,798         125,185         17,158           TOTAL ASSETS         1,223,430         1,240,784         170,062           LIABILITIES         TOTAL ASSETS         8,0077         10,975           Accounts payables         62,094         80,077         10,975           Accounts payables         171,160         177,507         24,329           Income tax payable         8,794         8,510         1,166           Contract liabilities, current portion         517,213         477,263         65,414           Advance from customers         144,397         146,767         20,116           Operating lease liabilities, current portion         944,750         924,062         126,652           Total current liabilities         7         -         -           Contract liabilities, non-current portion         7         -         -           Operating lease liabilities, non-current portion <td< td=""><td>Property and equipment, net</td><td>7,40</td><td>7,706</td><td>1,056</td></td<>	Property and equipment, net	7,40	7,706	1,056	
Deferred tax assets         2,084         10,918         1,496           Goodwill         -         7,389         1,013           Other non-current assets         21,296         20,368         2,792           Total non-current assets         114,798         125,185         17,158           TOTAL ASSETS         1,223,430         1,240,784         170,062           LIABILITIES         Current liabilities         8,0077         10,975           Accounts payables         62,094         80,077         10,975           Accrued expenses and other current liabilities         171,160         177,507         24,329           Income tax payable         8,794         8,510         1,166           Contract liabilities, current portion         517,213         477,263         65,414           Advance from customers         144,397         146,767         20,116           Operating lease liabilities, current portion         944,750         924,062         126,652           Non-current liabilities         7         -         -           Contract liabilities, non-current portion         7         -         -           Operating lease liabilities, non-current portion         7         -         -           Operating lease liabi	Intangible assets, net		- 3,120	428	
Goodwill         7,389         1,013           Other non-current assets         21,296         20,368         2,792           Total non-current assets         114,798         125,185         17,158           TOTAL ASSETS         1,223,430         1,240,784         170,062           LIABILITIES         Current liabilities:           Current liabilities:         Accounts payables         62,094         80,077         10,975           Accrued expenses and other current liabilities         171,160         177,507         24,329           Income tax payable         8,794         8,510         1,166           Contract liabilities, current portion         517,213         477,263         65,414           Advance from customers         144,397         146,767         20,116           Operating lease liabilities, current portion         41,092         33,938         4,652           Total current liabilities         944,750         924,062         126,652           Contract liabilities, non-current portion         7         -         -           Operating lease liabilities, non-current portion         7         -         -           Operating lease liabilities, non-current portion         52,840         50,018         6,856	Operating lease right-of-use assets	84,00	75,684	10,373	
Other non-current assets         21,296         20,368         2,792           Total non-current assets         114,798         125,185         17,158           TOTAL ASSETS         1,223,430         1,240,784         170,062           LIABILITIES         Current liabilities:           Accounts payables         62,094         80,077         10,975           Accrued expenses and other current liabilities         171,160         177,507         24,329           Income tax payable         8,794         8,510         1,166           Contract liabilities, current portion         517,213         477,263         65,414           Advance from customers         144,397         146,672         20,116           Operating lease liabilities, current portion         41,092         33,938         4,652           Non-current liabilities         944,750         924,062         126,652           Non-current liabilities, non-current portion         7         -         -           Operating lease liabilities, non-current portion         52,840         50,018         6,856           Total non-current liabilities         52,840         50,018         6,856	Deferred tax assets	2,08	10,918	1,496	
Total non-current assets         114,798         125,185         17,158           TOTAL ASSETS         1,223,430         1,240,784         170,062           LIABILITIES         Current liabilities:           Accounts payables         62,094         80,077         10,975           Accrued expenses and other current liabilities         171,160         177,507         24,329           Income tax payable         8,794         8,510         1,166           Contract liabilities, current portion         517,213         477,263         65,414           Advance from customers         144,397         146,767         20,116           Operating lease liabilities, current portion         41,092         33,938         4,652           Non-current liabilities         944,750         924,062         126,652           Non-current liabilities, non-current portion         7         -         -           Operating lease liabilities, non-current portion         52,840         50,018         6,856           Total non-current liabilities         50,018         6,856	Goodwill		- 7,389	1,013	
TOTAL ASSETS         1,223,430         1,240,784         170,062           LIABILITIES           Current liabilities:           Accounts payables         62,094         80,077         10,975           Accrued expenses and other current liabilities         171,160         177,507         24,329           Income tax payable         8,794         8,510         1,166           Contract liabilities, current portion         517,213         477,263         65,414           Advance from customers         144,397         146,767         20,116           Operating lease liabilities, current portion         41,092         33,938         4,652           Total current liabilities         944,750         924,062         126,652           Non-current liabilities, non-current portion         7         -         -           Operating lease liabilities, non-current portion         52,840         50,018         6,856           Total non-current liabilities         52,847         50,018         6,856	Other non-current assets	21,29	5 20,368	2,792	
LIABILITIES         Current liabilities:       Counts payables       62,094       80,077       10,975         Accrued expenses and other current liabilities       171,160       177,507       24,329         Income tax payable       8,794       8,510       1,166         Contract liabilities, current portion       517,213       477,263       65,414         Advance from customers       144,397       146,767       20,116         Operating lease liabilities, current portion       41,092       33,938       4,652         Total current liabilities:       944,750       924,062       126,652         Non-current liabilities, non-current portion       7       -       -         Operating lease liabilities, non-current portion       52,840       50,018       6,856         Total non-current liabilities       52,847       50,018       6,856	Total non-current assets	114,79	125,185	17,158	
Current liabilities:       62,094       80,077       10,975         Accrued expenses and other current liabilities       171,160       177,507       24,329         Income tax payable       8,794       8,510       1,166         Contract liabilities, current portion       517,213       477,263       65,414         Advance from customers       144,397       146,767       20,116         Operating lease liabilities, current portion       41,092       33,938       4,652         Total current liabilities:       944,750       924,062       126,652         Non-current liabilities, non-current portion       7       -       -         Operating lease liabilities, non-current portion       52,840       50,018       6,856         Total non-current liabilities       52,847       50,018       6,856	TOTAL ASSETS	1,223,43	1,240,784	170,062	
Accounts payables       62,094       80,077       10,975         Accrued expenses and other current liabilities       171,160       177,507       24,329         Income tax payable       8,794       8,510       1,166         Contract liabilities, current portion       517,213       477,263       65,414         Advance from customers       144,397       146,767       20,116         Operating lease liabilities, current portion       41,092       33,938       4,652         Total current liabilities       944,750       924,062       126,652         Non-current liabilities, non-current portion       7       -       -         Operating lease liabilities, non-current portion       52,840       50,018       6,856         Total non-current liabilities       52,847       50,018       6,856	LIABILITIES				
Accrued expenses and other current liabilities       171,160       177,507       24,329         Income tax payable       8,794       8,510       1,166         Contract liabilities, current portion       517,213       477,263       65,414         Advance from customers       144,397       146,767       20,116         Operating lease liabilities, current portion       41,092       33,938       4,652         Total current liabilities       944,750       924,062       126,652         Non-current liabilities, non-current portion       7       -       -         Operating lease liabilities, non-current portion       52,840       50,018       6,856         Total non-current liabilities       52,847       50,018       6,856	Current liabilities:				
Income tax payable         8,794         8,510         1,166           Contract liabilities, current portion         517,213         477,263         65,414           Advance from customers         144,397         146,767         20,116           Operating lease liabilities, current portion         41,092         33,938         4,652           Total current liabilities         944,750         924,062         126,652           Non-current liabilities         7         -         -           Contract liabilities, non-current portion         7         -         -           Operating lease liabilities, non-current portion         52,840         50,018         6,856           Total non-current liabilities         52,847         50,018         6,856	Accounts payables	62,09	4 80,077	10,975	
Contract liabilities, current portion       517,213       477,263       65,414         Advance from customers       144,397       146,767       20,116         Operating lease liabilities, current portion       41,092       33,938       4,652         Total current liabilities       944,750       924,062       126,652         Non-current liabilities:       7       -       -         Contract liabilities, non-current portion       7       -       -         Operating lease liabilities, non-current portion       52,840       50,018       6,856         Total non-current liabilities       52,847       50,018       6,856	Accrued expenses and other current liabilities	171,16	177,507	24,329	
Advance from customers       144,397       146,767       20,116         Operating lease liabilities, current portion       41,092       33,938       4,652         Total current liabilities       944,750       924,062       126,652         Non-current liabilities:       7       -       -         Contract liabilities, non-current portion       7       -       -         Operating lease liabilities, non-current portion       52,840       50,018       6,856         Total non-current liabilities       52,847       50,018       6,856	Income tax payable	8,79	4 8,510	1,166	
Operating lease liabilities, current portion41,09233,9384,652Total current liabilities944,750924,062126,652Non-current liabilities:Contract liabilities, non-current portion7Operating lease liabilities, non-current portion52,84050,0186,856Total non-current liabilities52,84750,0186,856	Contract liabilities, current portion	517,21	3 477,263	65,414	
Total current liabilities944,750924,062126,652Non-current liabilities:Contract liabilities, non-current portion7-Operating lease liabilities, non-current portion52,84050,0186,856Total non-current liabilities52,84750,0186,856	Advance from customers	144,39	7 146,767	20,116	
Non-current liabilities:7-Contract liabilities, non-current portion7-Operating lease liabilities, non-current portion52,84050,0186,856Total non-current liabilities52,84750,0186,856	Operating lease liabilities, current portion	41,09	2 33,938	4,652	
Contract liabilities, non-current portion7Operating lease liabilities, non-current portion52,84050,0186,856Total non-current liabilities52,84750,0186,856	Total current liabilities	944,75	924,062	126,652	
Operating lease liabilities, non-current portion52,84050,0186,856Total non-current liabilities52,84750,0186,856	Non-current liabilities:				
Operating lease liabilities, non-current portion52,84050,0186,856Total non-current liabilities52,84750,0186,856	Contract liabilities, non-current portion		7 -	-	
Total non-current liabilities         52,847         50,018         6,856	·	52,84	50,018	6,856	
	•	52,84	_		
	TOTAL LIABILITIES	997,59	7 974,080	133,508	

## Unaudited condensed consolidated balance sheets – continued



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

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Class A ordinary shares (US\$0.0001 par value; 430,000,000 shares authorized, 115,759,408 and 119,595,055 shares issued and outstanding as of June 30, 2023 and September 30, 2023, respectively)

Class B ordinary shares (US\$0.0001 par value; 70,000,000 shares authorized, 49,859,049 shares issued and outstanding as of June 30, 2022 and September 30, 2023, respectively)

Treasury stock

Additional paid-in capital

Accumulated other comprehensive income

Accumulative deficit

TOTAL QUANTASING GROUP LIMITED SHAREHOLDERS' EQUITY

Non-controlling interests

**TOTAL SHAREHOLDERS' EQUITY** 

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

		As of	
June 30	),	September 30,	September 30,
2023		2023	2023
RMB		RMB	US\$
	78	81	11
	34	34	5
	54	(49,509)	(6,786)
1 17	1 002	• • •	
·	1,092	1,198,929	164,327
	2,182	20,177	2,765
(969	,688)	(903,008)	(123,768)
22	3,698	266,704	36,554
	2,135	-	<u> </u>
22	5,833	266,704	36,554
1,22	3,430	1,240,784	170,062

# 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 September 30,

(17,131)

(1,838)

(13,409)



General and administrative expenses

	EIIC	Ended September 50,	
	2022	2023	2023
	RMB	RMB	US\$
Revenues	659,366	869,136	119,125
Cost of revenues	(75,062)	(118,192)	(16,200)
Gross Profit	584,304	750,944	102,925
Operating expenses:			
Sales and marketing expenses	(581,158)	(620,152)	(84,999)
Research and development expenses	(52,301)	(43,800)	(6,003)
General and administrative expenses	(44,390)	(42,762)	(5,861)
Total operating expenses	(677,849)	(706,714)	(96,863)
(Loss)/Income from operations	(93,545)	44,230	6,062
Other income:			
Interest income	192	3,447	472
Others, net	6,450	12,257	1,680
(Loss)/Income before income tax	(86,903)	59,934	8,214
Income tax expense	(10,375)	6,746	925
Net (loss)/ income	(97,278)	66,680	9,139
Other comprehensive income/(loss)			
Foreign currency translation adjustments, net of nil tax	2,126	(2,005)	(275)
Total other comprehensive income	2,126	(2,005)	(275)
Total comprehensive (loss)/income	(95,152)	64,675	8,864
Net (loss)/Income	(97,278)	66,680	9,139
Accretion of the Company's preferred shares	(9,469)	<u>-</u>	
Net (loss)/income attributable to ordinary shareholders of QuantaSing Group Limited	(106,747)	66,680	9,139
Net (loss)/income per ordinary share			
- Basic	(1.96)	0.39	0.05
- Diluted	(1.96)	0.38	0.05
Weighted average number of ordinary shares used in computing net loss per share			
- Basic	54,439,786	169,056,984	169,056,984
- Diluted	54,439,786	175,003,606	175,003,606
Share-based compensation expenses included in			
Cost of revenues	(4,652)	(3,778)	(518)
Sales and marketing expenses	(12,519)	(4,489)	(615)
Research and development expenses	(12,068)	(5,610)	(769)

# 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:

	Ended September 30,		
	2022	2023	2023
	RMB	RMB	US\$
Revenues of individual online learning services:	585,085	755,910	103,606
Add: value-added tax	37,976	47,579	6,521
Add: ending deferred revenues (1)	573,528	619,954	84,972
Less: beginning deferred revenues (1)	(531,662)	(661,360)	(90,647)
Gross billings of individual online learning services	664,927	762,083	104,452

For the Three Months

<sup>(1)</sup> 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 (loss)/income and basic and diluted net (loss)/income per share to basic and diluted adjusted net (loss)/income per share for the periods indicated:

For the Three Months Ended September 30,

		ica ocpiciiioci oc,	
	2022	2023	2023
	RMB	RMB	US\$
Net (loss)/income	(97,278)	66,680	9,139
Add: Share-based compensation	46,370	27,286	3,740
Adjusted net (loss)/income	(50,908)	93,966	12,879
Accretion of the Company's preferred shares	(9,469)	-	-
Adjusted net (loss)/income attributable to ordinary shareholders of QuantaSing			
Group Limited	(60,377)	93,966	12,879
Weighted average number of ordinary shares used in computing net (loss)/income per			
share			
- Basic	54,439,786	169,056,984	169,056,984
- Diluted	54,439,786	175,003,606	175,003,606
Weighted average number of ordinary shares used in computing adjusted net			
(loss)/income per share			
- Basic	54,439,786	169,056,984	169,056,984
- Diluted	54,439,786	175,003,606	175,003,606
Net (loss)/income per ordinary share			
- Basic	(1.96)	0.39	0.05
- Diluted	(1.96)	0.38	0.05
Non-GAAP adjustments to net (loss)/income per ordinary share			
- Basic	0.85	0.17	0.03
- Diluted	0.85	0.16	0.02
Adjusted net (loss)/income per ordinary share			
- Basic	(1.11)	0.56	0.08
- Diluted	(1.11)	0.54	0.07

# THANK YOU

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