



QUANTASING

Investor Presentation

First Quarter, Fiscal Year 2025

Disclaimer

Information in this presentation and the accompanying oral presentation (the “Presentation”), including, among others, any statements regarding QuantaSing’s market position, users and learners and other metrics, is based on data and analyses from various sources as of the date of the Presentation, unless otherwise indicated. Information in the Presentation contains “forward-looking statements” within the meaning of Section 27A of Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended and the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical or current fact included in this press release are forward-looking statements, including but not limited to statements regarding QuantaSing’s financial outlook, beliefs and expectations. 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. The Presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. Any such offering of securities will only be made by means of a registration statement (including a prospectus) filed with the SEC, after such registration statement becomes effective. 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 RMB7.0176 to US\$1.00, the exchange rate on September 30, 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

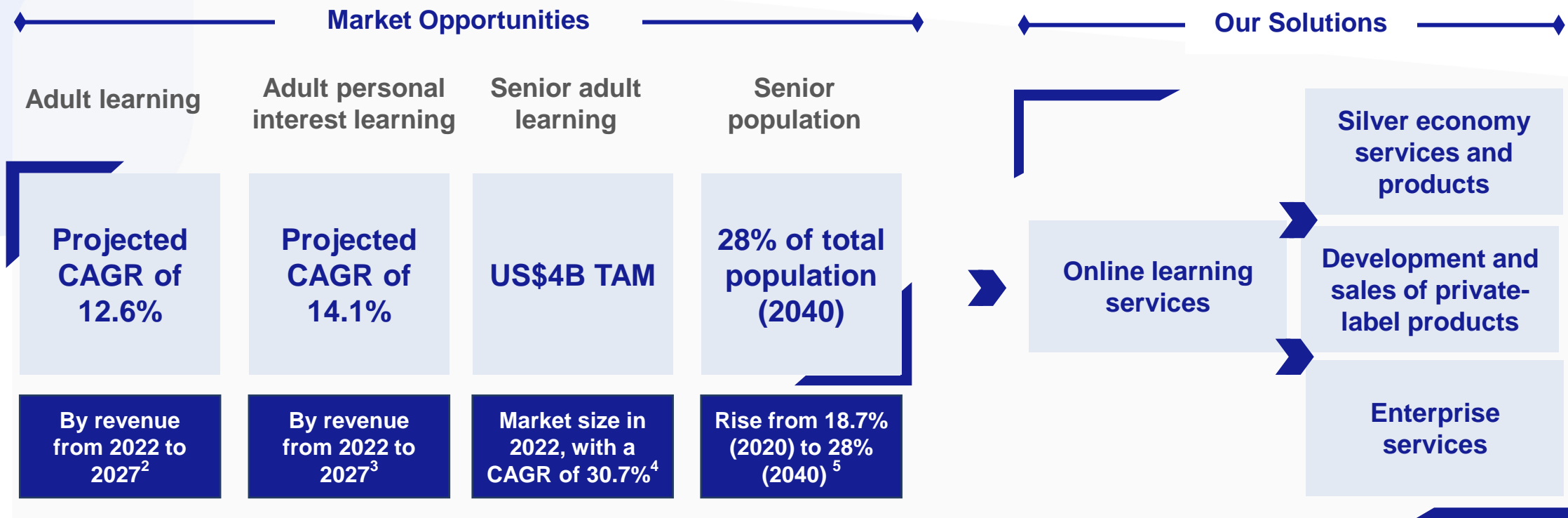
Our Mission

Live Better, Live Longer

Our Vision

**Become a long-term partner loved
and trusted by adult users**

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



Note 1: QuantaSing 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, according to Frost & Sullivan report.

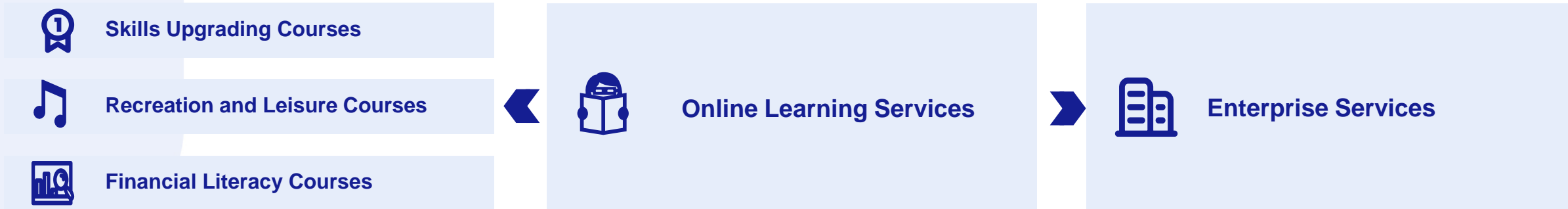
Note 2: According to Frost & Sullivan report, the market size of China’s adult learning industry in terms of revenue was RMB576.2 billion in 2022, and is expected to increase to RMB1,043.2 billion in 2027, representing a CAGR of 12.6% from 2022 to 2027.

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 Traditional Chinese Medicine-related courses to meet seniors' learning demand during Q1 FY2024
- Apply our 'test and scale' approach to efficiently and effectively iterate our course offerings

- **30.2%YoY Registered Users Growth**

- We started to employ an "online-offline" integrated approach to grow and serve our user base and enhance learner satisfaction and interaction through

- **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 nine quarters

- **Leverage cross-sell to expand revenue streams including enterprise services**

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 to test Chinese liquor.



June 2023

In Q3 FY2024, we started to develop our private label products and continued to launch more products catering to the silver cohort.



Q3 FY2024

The GMV of our private label products including wellness products in 25FYQ1 exceeded RMB50 million.



Q1 FY2025



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



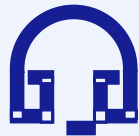
Invest in technology, analytics, and talent



Enrich course offerings with proven demand



Extend lifetime value through development and sales of private-label products



Develop enterprise services for synergistic growth



Pursue global expansion and strategic partnerships

Investment Highlights



Customer Profile

Targeting a broad demographic of adults 35 and older, with a particular 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 a corporate culture focusing on long-term goal

1Q FY25 Performance Highlights

Financial figures shown are for the first quarter of FY 2025¹, which refers to the period from July 1 to September 30, 2024



RMB810.4 Million

Revenues

-6.8% YoY



RMB88.0 Million

Adjusted net income²

-6.4% YoY



134.6 Million

Total registered users³

+30.2% YoY



RMB713.7 Million

Gross billings of individual
online learning services⁴

-6.3% YoY



RMB1,193.7 Million

Cash and cash equivalents,
restricted cash and short-term
investments

+35.7% YoY



0.4 Million

Paying learners⁵

+16.8% YoY

Note 1: FY 2024 is ended on June 30, 2024. FY 2025 is ended on June 30, 2025.

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

Note 3: As of Sept. 30, 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 first quarter of FY 2025.



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. Online + offline business model extends customer lifetime value



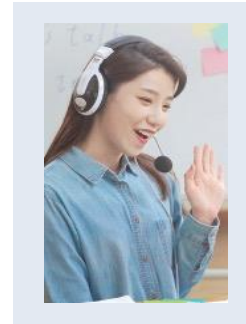
Innovative learning journey leads to strong user engagement

Our livestreaming-centric approach delivers an exceptional online learning experience that attracts and retains users. This approach fosters a truly interactive and enriching environment that drives strong user engagement.

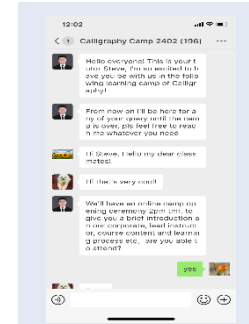
We create an engaging learning community for our users



Register as our user



Take introductory courses



Engage in training camp communities

Introductory Courses-

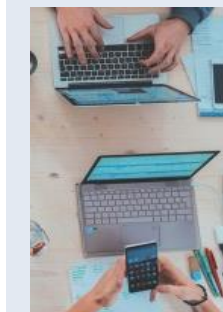
- A service-driven process to acquire customers
- Livestreaming to over 100,000 learners at a time
- Interact with learners in real-time

Premium Courses-

- Diverse forms of content delivery enhance the quality and effectiveness of the learning experience.



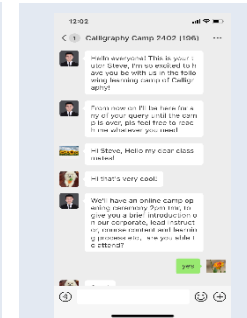
Live-stream courses



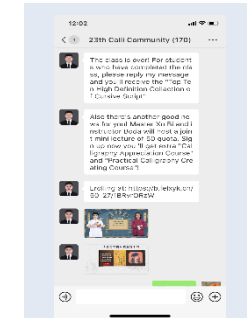
Pre-recorded audio and video courses



Mini-lectures



Learning communities



Personalized one-on-one tutoring

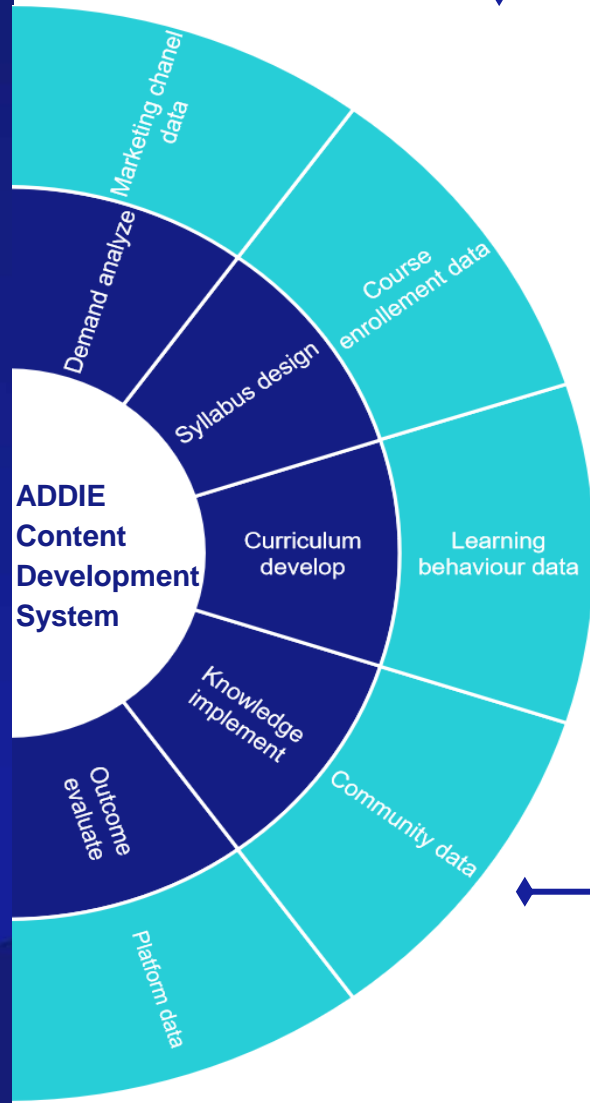


Online & offline activities



In-house content development team and monitoring system

Data-driven analytics power efficient content creation and timely updates



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

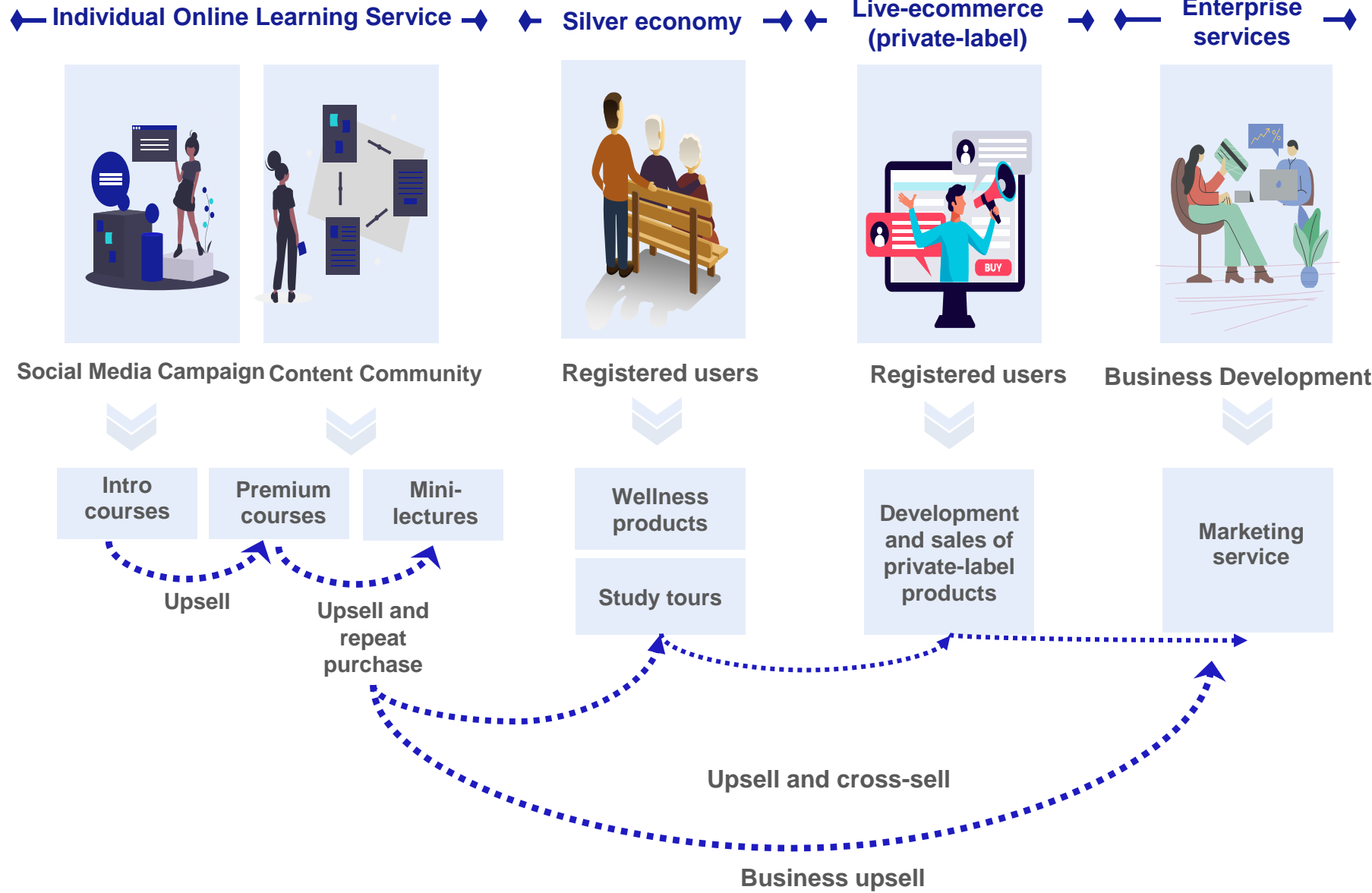


Technology is the backbone of our highly scalable business model. Our proprietary AI technology and the large volume of data generated from operations enables superior user experience, course offerings, and operating efficiency.



Efficient customer acquisition combined with online+ offline business model

Low acquisition cost and diverse business models drive various revenue stream and extend customer life-time value and



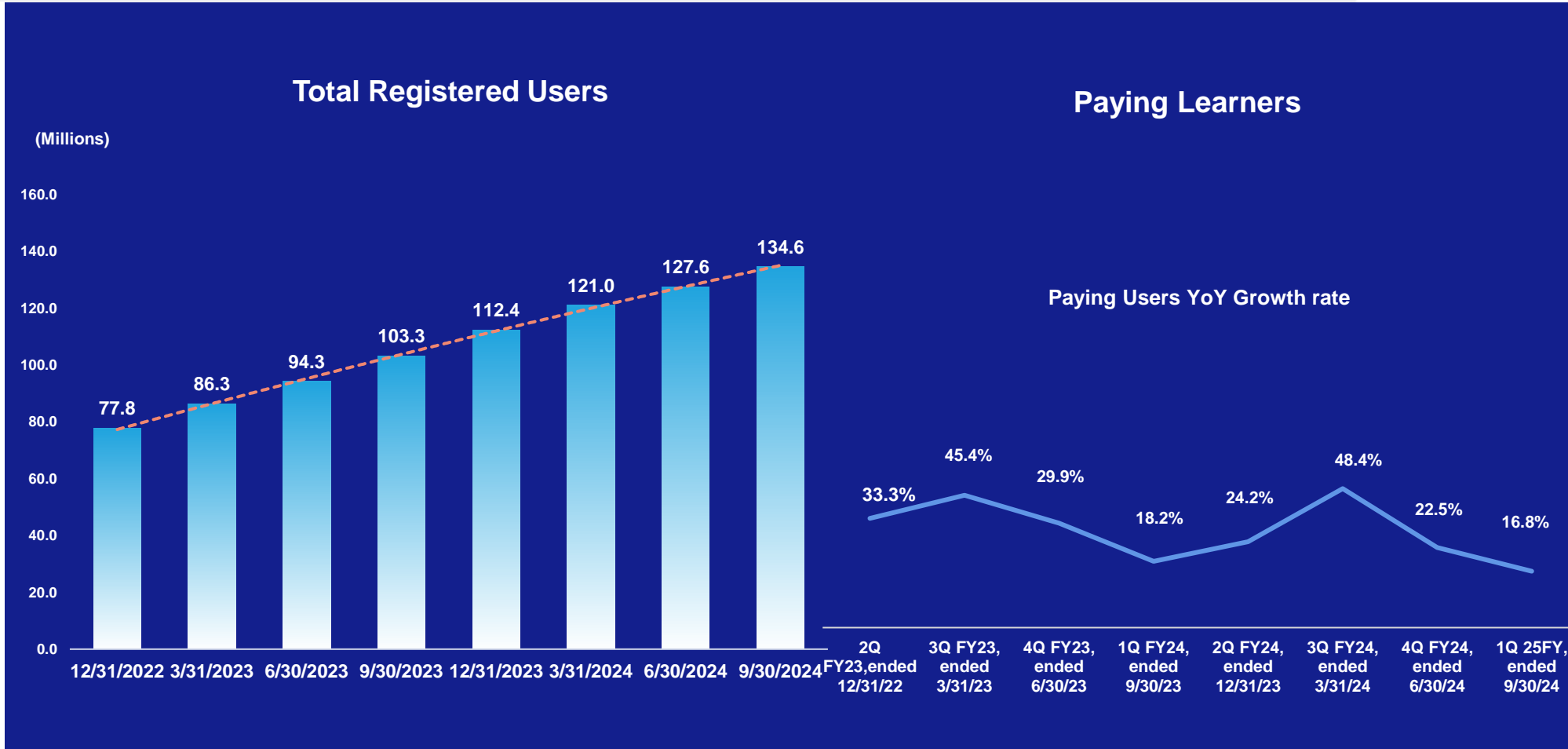


Financial Highlights

First Quarter FY 2025

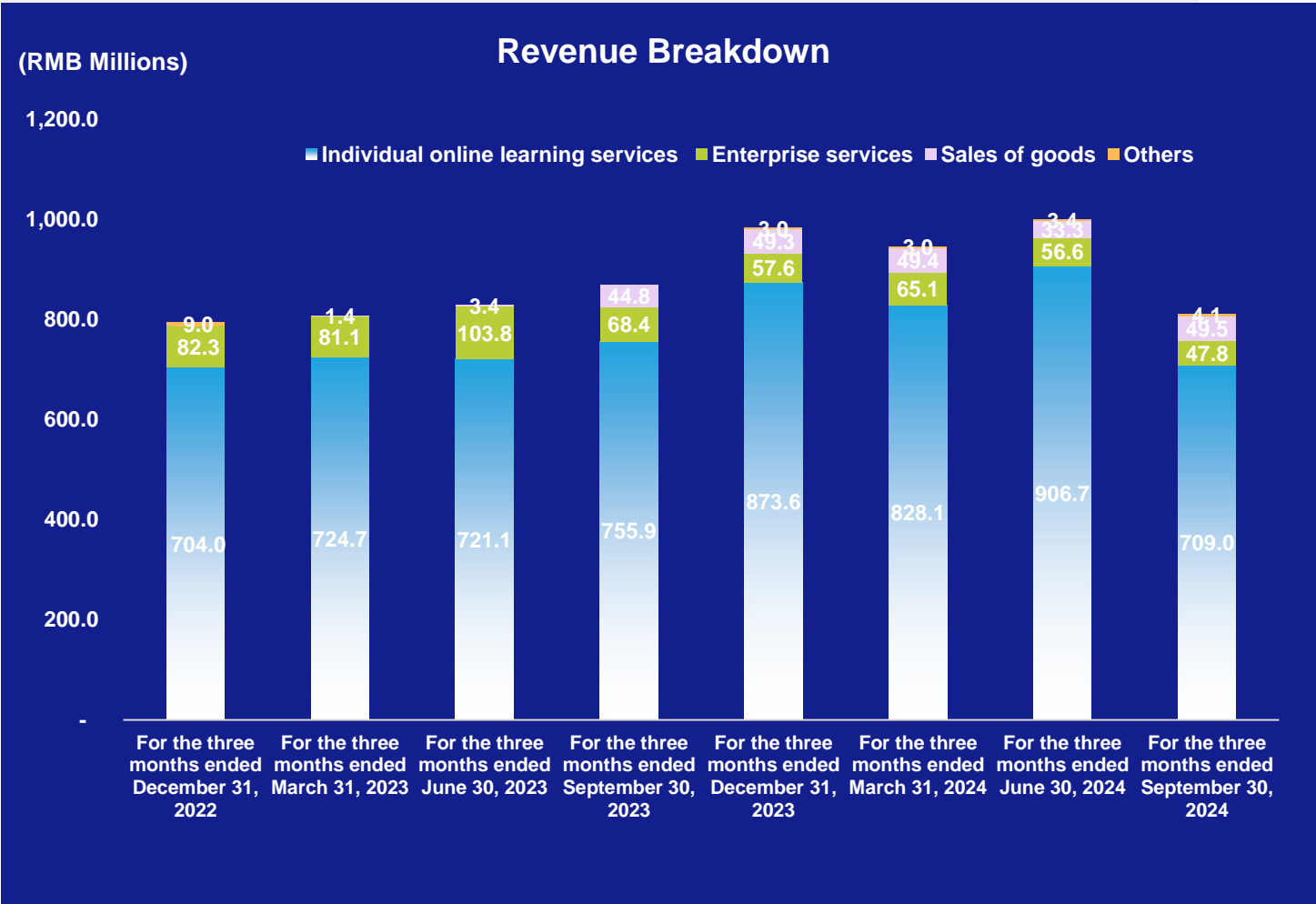
01 Strong registered user growth

- **Total registered users** increased by 30.2% to approximately 134.6 million as of September 30, 2024, from 103.3 million as of September 30, 2023.
- **Paying learners** increased by 16.8% year over year to approximately 0.4 million in the first quarter of FY 2025.



02 Diversified markets and revenue streams

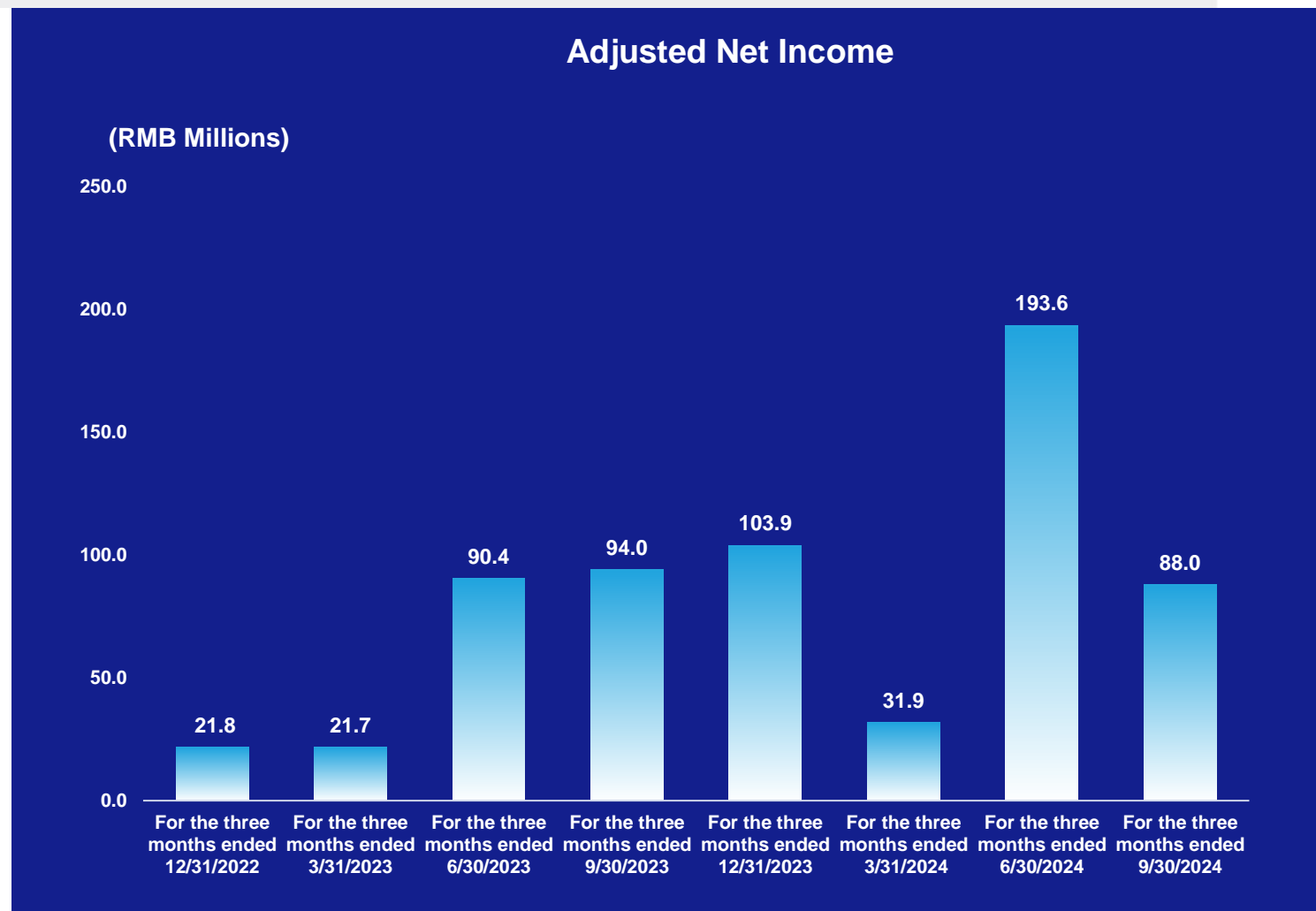
- Revenues** for the first quarter of FY 2025 were RMB810.4 million (US\$115.5 million), representing a decrease of 19.0% from the fourth quarter of the fiscal year ended June 30, 2024 (the “fourth quarter of FY 2024”) and a decrease of 6.8% from the first quarter of the fiscal year ended June 30, 2024 (the “first quarter of FY 2024”).



03

Improving efficiency and profitability

- **Adjusted net income**¹ for the first quarter of FY 2025 was RMB88.0 million (US\$12.5 million), compared with RMB193.6 million in the fourth quarter of FY 2024, and RMB94.0 million in the first quarter of FY 2024.



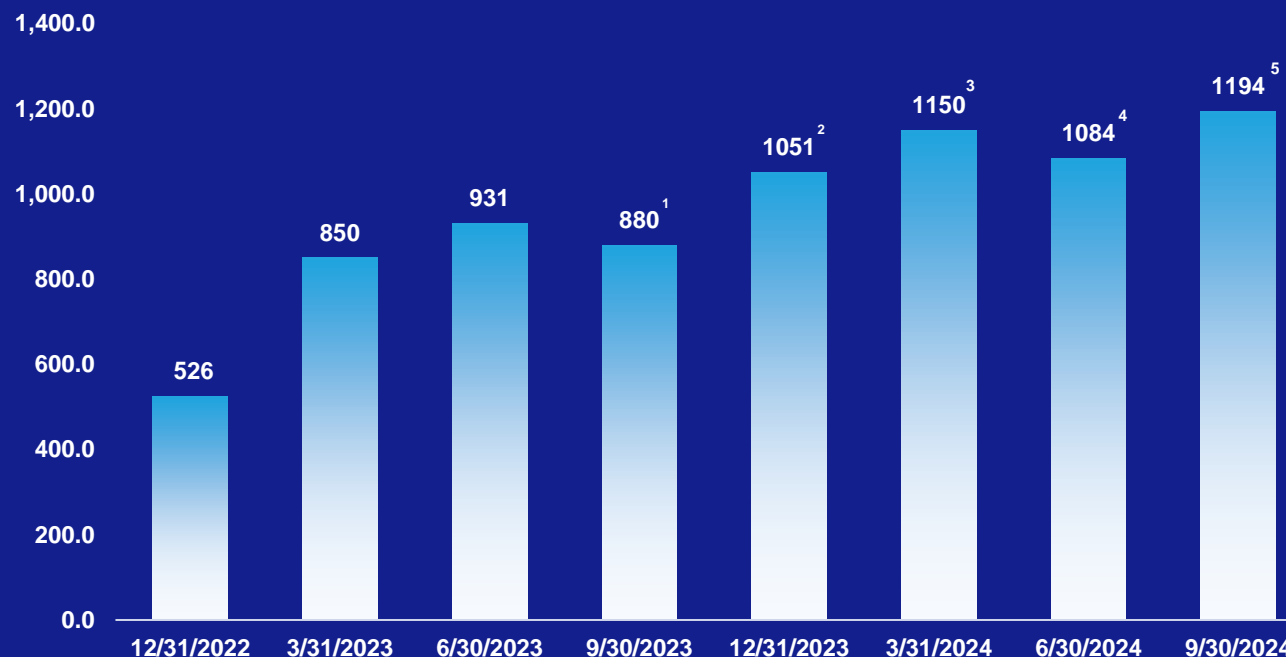
Note 1: Adjusted net income is a non-GAAP financial measure. For a reconciliation of net income/(loss) to adjusted net income, see appendix.

04 Solid cash reserves

- **Cash and cash equivalents, restricted cash and short-term investments** were robust, providing 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 2023 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 2023 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 2023 Share Repurchase Program.

Note 4: Pursuant to the 2023 Share Repurchase Program, a total of 3.1 million ADSs were repurchased for an aggregate consideration of US\$13.2 million from June 9, 2023 to June 8, 2024. As of June 30, 2024, a total of 1.5 million ADSs had been repurchased for an aggregate consideration of US\$3.3 million under the 2024 Share Repurchase Program.

Note 5: As of September 30, 2024, a total of 1.7 million ADSs had been repurchased for an aggregate consideration of US\$3.5 million under the 2024 Share Repurchase Program.

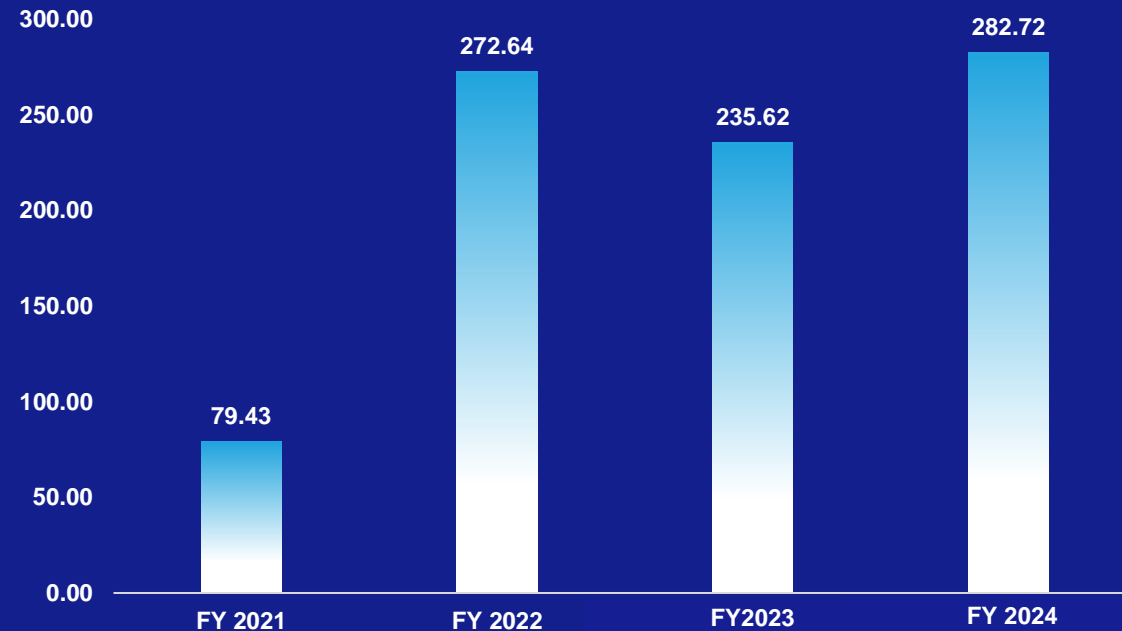
05

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, 2024 RMB	September 30, 2024 RMB	September 30, 2024 US\$
ASSETS			
Current assets:			
Cash and cash equivalents	779,931	1,027,165	146,370
Restricted cash	160	250	36
Short-term investments	246,195	166,299	23,697
Accounts receivable, net	16,676	17,192	2,450
Amounts due from related parties	4,488	-	-
Inventory, net	6,345	7,584	1,081
Prepayments and other current assets	275,549	209,870	29,906
Total current assets	1,329,344	1,428,360	203,540
Non-current assets:			
Property and equipment, net	6,569	5,794	826
Long-term investments	9,010	10,623	1,514
Intangible assets, net	-	59	8
Operating lease right-of-use assets	58,889	47,816	6,814
Deferred tax assets	847	2,193	313
Other non-current assets	21,360	22,009	3,136
Total non-current assets	96,675	88,494	12,611
TOTAL ASSETS	1,426,019	1,516,854	216,151
LIABILITIES			
Current liabilities:			
Accounts payables	62,066	61,051	8,700
Accrued expenses and other current liabilities	190,508	201,159	28,665
Income tax payable	20,399	45,382	6,467
Contract liabilities, current portion	385,227	347,744	49,553
Advance from customers	162,257	163,004	23,228
Operating lease liabilities, current portion	49,099	56,156	8,002
Total current liabilities	869,556	874,496	124,615
Non-current liabilities:			
Contract liabilities, non-current portion	11,365	20,221	2,881
Operating lease liabilities, non-current portion	16,989	2,887	411
Deferred tax liabilities	11,625	16,528	2,355
Total non-current liabilities	39,979	39,636	5,647
TOTAL LIABILITIES	909,535	914,132	130,262

Unaudited condensed consolidated balance sheets – continued

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

SHAREHOLDERS' EQUITY

Class A ordinary shares
 Class B ordinary shares
 Treasury stock
 Additional paid-in capital
 Accumulated other comprehensive income
 Accumulative deficit

TOTAL SHAREHOLDERS' EQUITY

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

	As of		
	June 30,	September 30,	September 30,
	2024	2024	2024
	RMB	RMB	US\$
	81	81	12
	34	34	5
	(109,257)	(80,430)	(11,461)
	1,192,474	1,172,743	167,115
	17,313	13,767	1,962
	(584,161)	(503,473)	(71,744)
	516,484	602,722	85,889
	1,426,019	1,516,854	216,151

Unaudited condensed consolidated statements of operations and comprehensive income

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

	For the Three Months Ended September 30,		
	2023 RMB	2024 RMB	2024 US\$
Revenues			
Cost of revenues	869,136	810,404	115,482
	(118,192)	(134,448)	(19,159)
Gross Profit	750,944	675,956	96,323
Operating expenses:			
Sales and marketing expenses	(620,152)	(515,009)	(73,388)
Research and development expenses	(43,800)	(28,080)	(4,001)
General and administrative expenses	(42,762)	(30,621)	(4,363)
Total operating expenses	(706,714)	(573,710)	(81,752)
Income from operations	44,230	102,246	14,571
Other income:			
Interest income	3,447	1,939	276
Others, net	12,257	9,735	1,387
Income before income tax	59,934	113,920	16,234
Income tax expense	6,746	(33,232)	(4,736)
Net income	66,680	80,688	11,498
Net income attributable to ordinary shareholders	66,680	80,688	11,498
Other comprehensive income			
Foreign currency translation adjustments, net of nil tax	(2,005)	(3,546)	(505)
Total other comprehensive income	(2,005)	(3,546)	(505)
Total comprehensive income	64,675	77,142	10,993
Net income per ordinary share			
- Basic	0.39	0.52	0.07
- Diluted	0.38	0.50	0.07
Weighted average number of ordinary shares used in computing net income per share			
- Basic	169,056,984	156,445,053	156,445,053
- Diluted	175,003,606	161,309,229	161,309,229
Share-based compensation expenses included in			
Cost of revenues	(3,778)	(2,303)	(328)
Sales and marketing expenses	(4,489)	(39)	(6)
Research and development expenses	(5,610)	(1,898)	(270)
General and administrative expenses	(13,409)	(3,032)	(432)

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 September 30,		
	2023 RMB	2024 RMB	2024 US\$
Revenues of individual online learning services:	755,910	709,012	101,033
Add: value-added tax	47,579	40,691	5,798
Add: ending deferred revenues ⁽¹⁾	619,954	529,054	75,390
Less: beginning deferred revenues ⁽¹⁾	<u>(661,360)</u>	<u>(565,030)</u>	<u>(80,516)</u>
Gross billings of individual online learning services	<u>762,083</u>	<u>713,727</u>	<u>101,705</u>

(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 income to adjusted net income and basic and diluted per share to basic and diluted adjusted net income per share for the periods indicated:

	For the Three Months Ended September 30,		
	2023 RMB	2024 RMB	2024 US\$
Net income	66,680	80,688	11,498
Add: Share-based compensation expenses	27,286	7,272	1,036
Adjusted net income	<u>93,966</u>	<u>87,960</u>	<u>12,534</u>
Net income attributable to ordinary shareholders	66,680	80,688	11,498
Add: Share-based compensation expenses	27,286	7,272	1,036
Adjusted net income attributable to ordinary shareholders	<u>93,966</u>	<u>87,960</u>	<u>12,534</u>
Weighted average number of ordinary shares used in computing net income per share			
- Basic	169,056,984	156,445,053	156,445,053
- Diluted	175,003,606	161,309,229	161,309,229
Weighted average number of ordinary shares used in computing adjusted net income per share			
- Basic	169,056,984	156,445,053	156,445,053
- Diluted	175,003,606	161,309,229	161,309,229
Net income per ordinary share			
- Basic	0.39	0.52	0.07
- Diluted	0.38	0.50	0.07
Non-GAAP adjustments to net income per ordinary share			
- Basic	0.17	0.04	0.01
- Diluted	0.16	0.05	0.01
Adjusted net income per ordinary share			
- Basic	0.56	0.56	0.08
- Diluted	0.54	0.55	0.08

THANK YOU

 IR website: ir.quantasing.com

 Landline: +86 10 6493 7857

 Email: ir@quantasing.com