First Quarter 2020
INVESTOR PRESENTATION

April 30, 2020

Safe Harbor.

This presentation contains forward-looking statements regarding 2U, Inc.'s future business expectations, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained in this presentation, including statements regarding the acquisition of Trilogy and future results of the operations and financial position of 2U, including financial targets, business strategy, and plans and objectives for future operations, are forward-looking statements. 2U has based these forward-looking statements largely on its estimates of its financial results and its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs as of the date of this presentation. The company undertakes no obligation to update these statements as a result of new information or future events. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from the results predicted, including, but not limited to:

- *trends in the higher education market and the market for online education, and expectations for growth in those markets;*
- *the acceptance, adoption and growth of online learning by colleges and universities, faculty, students, employers, accreditors and state and federal licensing bodies;*
- *the impact of competition on our industry and innovations by competitors;*
- *the company's ability to comply with evolving regulations and legal obligations related to data privacy, data protection and information security;*
- *the company's expectations about the potential benefits of its cloud-based software-as-a-service technology and technology-enabled services to university clients and students;*
- *the company's dependence on third parties to provide certain technological services or components used in its platform;*
- *the company's expectations about the predictability, visibility and recurring nature of its business model;*
- *the company's ability to meet the anticipated launch dates of its degree programs, short courses and boot camps;*
- *the company's ability to acquire new university clients and expand its degree programs, short courses and boot camps with existing university clients;*
- *its ability to successfully integrate the operations of its acquisitions, including Trilogy, to achieve the expected benefits of its acquisitions and manage, expand and grow the combined company;*
- *the company's ability to refinance its indebtedness on attractive terms, if at all, to better align with its focus on profitability;*
- *the company's ability to service its substantial indebtedness and comply with the covenants and conversion obligations contained in the indenture governing its convertible senior notes;*
- *the company's ability to generate sufficient future operating cash flows from recent acquisitions to ensure related goodwill is not impaired;*
- *the company's ability to execute its growth strategy in the international, undergraduate and non-degree alternative markets;*
- *the company's ability to continue to recruit prospective students for its offerings;*
- *the company's ability to maintain or increase student retention rates in its degree programs;*
- *the company's ability to attract, hire and retain qualified employees;*
- *the company's expectations about the scalability of its cloud-based platform;*
- *potential changes in regulations applicable to the company or its university clients;*
- *the company's expectations regarding the amount of time its cash balances and other available financial resources will be sufficient to fund its operations;*
- *the impact and cost of stockholder activism;*
- *the impact of any natural disasters or public health emergencies, such as the COVID-19 outbreak;*
- *our expectations regarding the effect of the capped call transactions and regarding actions of the option counterparties and/or their respective affiliates; and*
- *other factors beyond our control.*

These and other potential risks and uncertainties that could cause actual results to differ from the results predicted are more fully detailed under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2019 and other SEC filings. Moreover, 2U operates in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for 2U management to predict all risks, nor can 2U assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements 2U may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated.

Edtech with a Human Touch.

For more than a decade, 2U has been a trusted Edtech partner and brand steward to great universities. We build, deliver, and support over 400 online and in-person degrees, boot camps, and short courses, and have positively transformed the lives of over 225,000 students and lifelong learners.

2U is a Partner & Trusted Brand Steward to 73 of the World's Top Universities.

*As of 4/30/2020

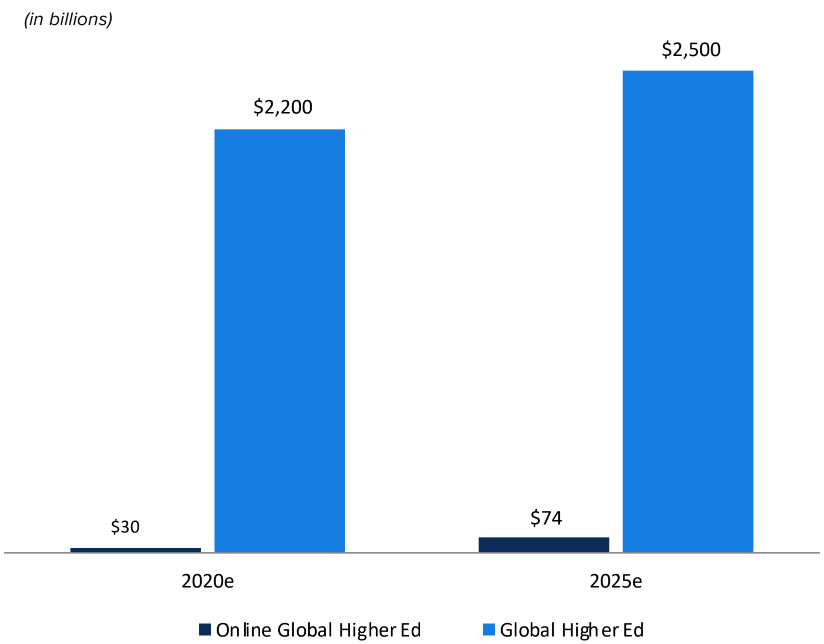
Investment Thesis.

1. Leading position in multi-trillion dollar[1] market
2. World-class education offerings for the digital age with top global institutions
3. Investing in response to demand from new and existing university partners
4. High returns and compelling steady-state margins
5. Sustainable, resilient business model with financial flexibility to execute strategy and drive to cash generation

(1) Source: HolonIQ, April 2020: The $7B Global OPM and Academic PPP Market

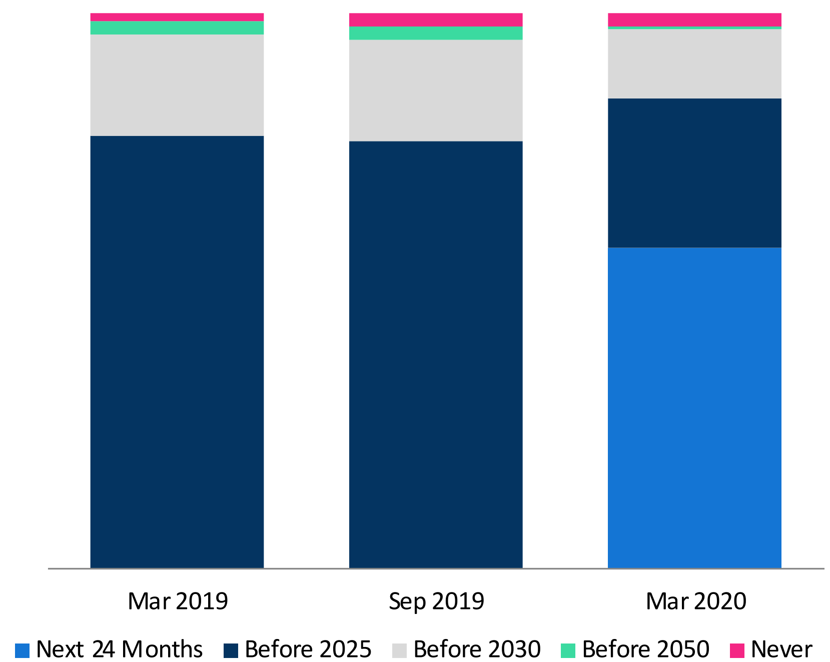
Strong Secular Tailwinds with Accelerating Adoption of Online Education.

2U Has Ample Runway in Global Higher Ed[2]



HolonIQ: Disruption Expectations over Last 3 Surveys[1]

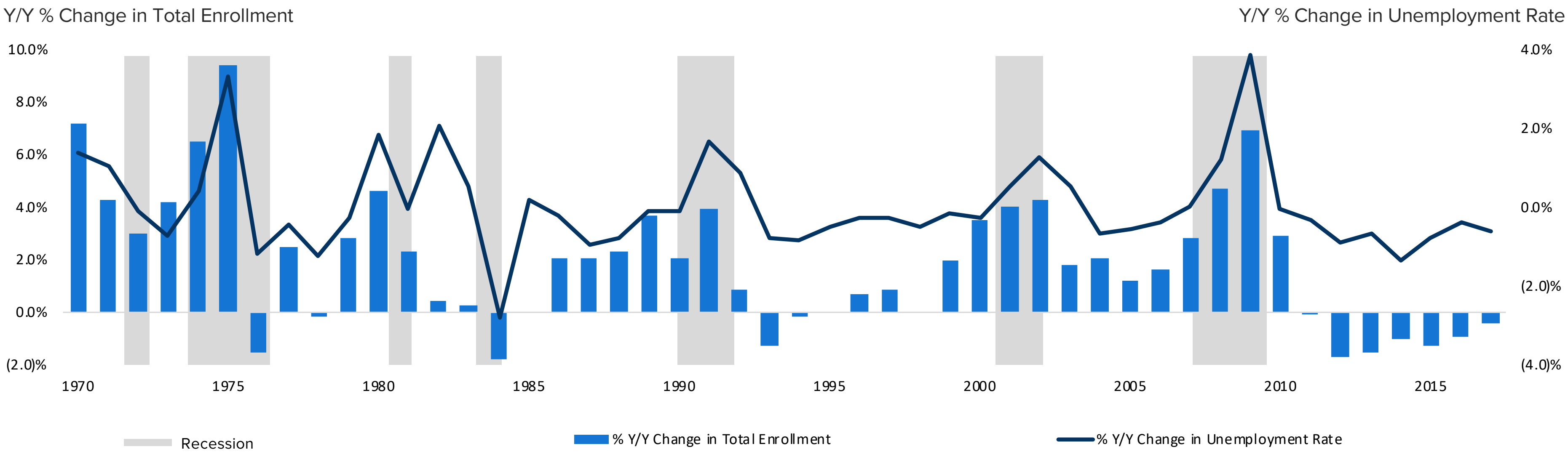
700+ global education leaders surveyed with the question: "When do you expect disruption in the Education Market?



(1) Source: HolonIQ, March 2020; Expectation about disruption in the next 24 months is a new question inserted in the March 2020 survey
(2) HolonIQ, "OPM Meet OPX. The New Online Education Landscape," September 2019

Counter-cyclical Nature of Higher Education Creates Resistance to Downturns.

Annual Changes in Total Enrollment at All Postsecondary Degree-granting Schools and Unemployment Rate (1970 – 2017)[1]



Y/Y % Change in Total Enrollment

	3 Years Prior	2 Years Prior	Year Prior	Year Of	Year After	2 Years After	3 Years After
Average of 1970 – 2009 Recessionary Periods	**1.7%**	**2.8%**	**4.3%**	**4.4%**	**4.9%**	**1.3%**	**0.7%**

(1) Source: Bureau of Labor Statistics, U.S. Department of Education National Center for Education Statistics, and National Bureau of Economic Research

Our Approach.

Partner

with great universities

The great university remains at the center of digital education. We partner with top tier universities and expand our relationships with our clients.

Build

the highest quality digital education with new and existing partners.

We believe the online experience can be as good as — if not better than — the on-campus experience. Our comprehensive 2UOS platform allows us to meet market demand and drive strong student outcomes.

Enroll + Support

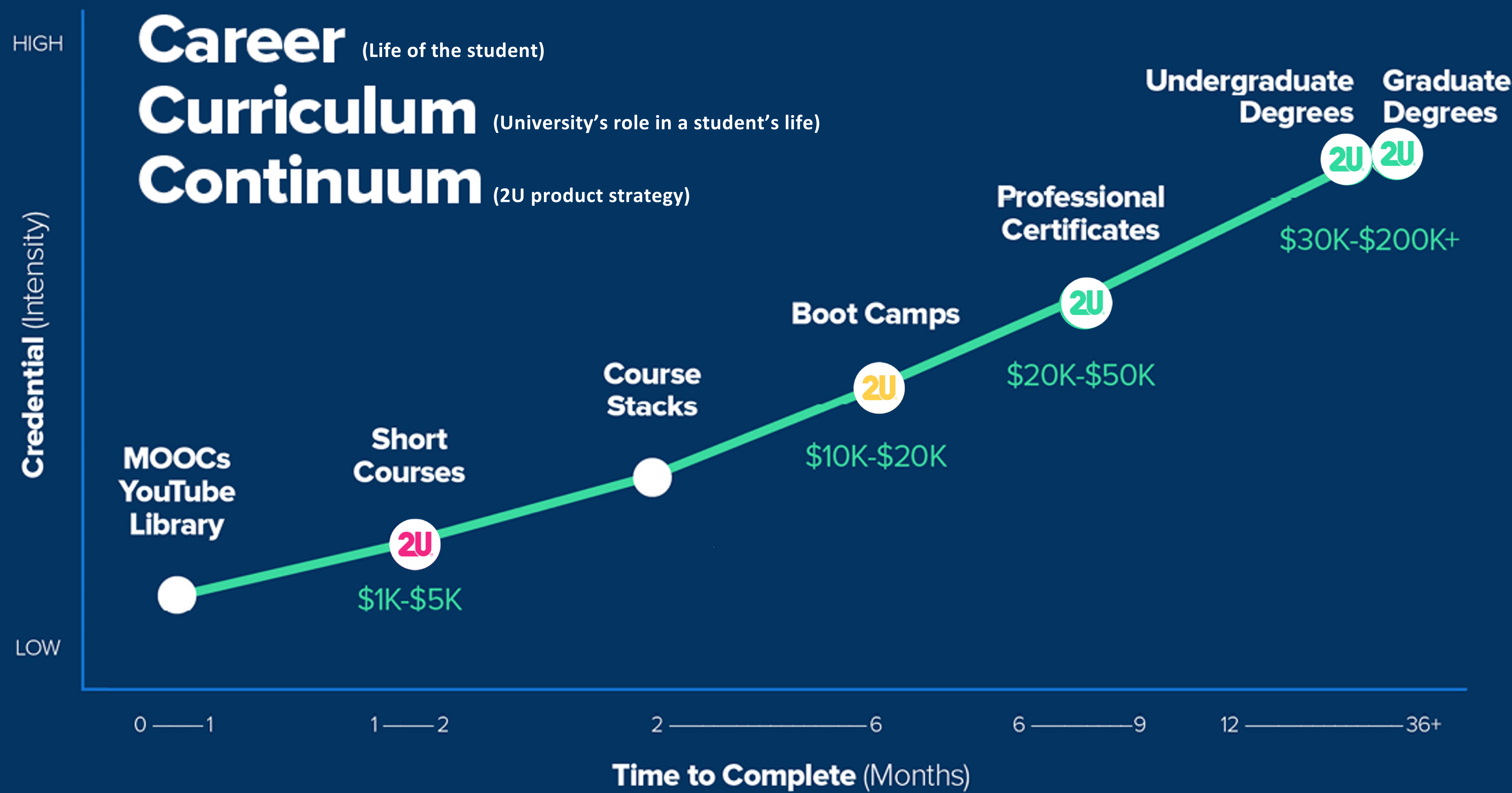
the right student for the right offerings, at scale.

We help universities scale enrollments for their offerings while ensuring quality, preserving academic integrity, and fostering brand affiliation.

Graduate + Get Hired

the right outcome to fit a student's goals.

We empower universities to deliver relevant educational offerings to students, while supplying key tech-enabled services that help them reach graduation and beyond.



Career (Life of the student)
Curriculum (University's role in a student's life)
Continuum (2U product strategy)
HIGH
LOW
Credential (Intensity)
MOOCs YouTube Library
Short Courses
2U
$1K-$5K
Course Stacks
Boot Camps
2U
$10K-$20K
Professional Certificates
2U
$20K-$50K
Undergraduate Degrees
Graduate Degrees
2U
2U
$30K-$200K+
0 — 1
1 — 2
2 — 6
6 — 9
12 — 36+
Time to Complete (Months)

Market-Driven Products for Lifelong Learning.

2U®

Societal + Life-Changing Outcomes

Professional Upskilling + Reskilling Benefits

- Graduate Programs
- Undergraduate Programs
- Short Courses
- Boot Camps

COVID-19 Related New Solutions for Universities.

100% Online

- Shifted all campus-based experiences from physical classrooms to online
- Boot camps are running without disruption

"Pop-Up" Support

(Allowing current launches to stay on track)

- No Back Row PRO training and support for faculty teaching online for the first time
- "Studio-in-a-box" to record asynchronous content directly from anywhere with virtual assistance from a 2U course designer

Forward Thinking for Fall

(For existing AND new partners)

- 2UOS Essential supports moving on-campus classes online quickly
- 2UOS Plus support students in the residential versions of 2U-powered degree programs

Financial Highlights

Delivered Strong Results in the First Quarter.

1. 1Q’20 revenue growth of 44% to $175.5mm
   - Organic growth of 15%[1], 2-point acceleration (compared to 13% in 4Q’19)
2. Graduate Program revenue up 14% to $118.5mm
   - 2-point acceleration (compared to 12% in 4Q’19)
   - FCE growth of 16%, partially offset by rev / FCE down 2%
3. Alternative Credentials revenue up 216% to $57.0mm[2]
   - FCE growth of 66%, rev / FCE up 90%
4. Adjusted EBITDA (loss) of ($4.3mm)[3]
5. Ending cash balance of $157.5mm
   - TTM Unlevered FCF of $(58.5)mm, improvement of $21.8mm vs. 4Q’19[3]

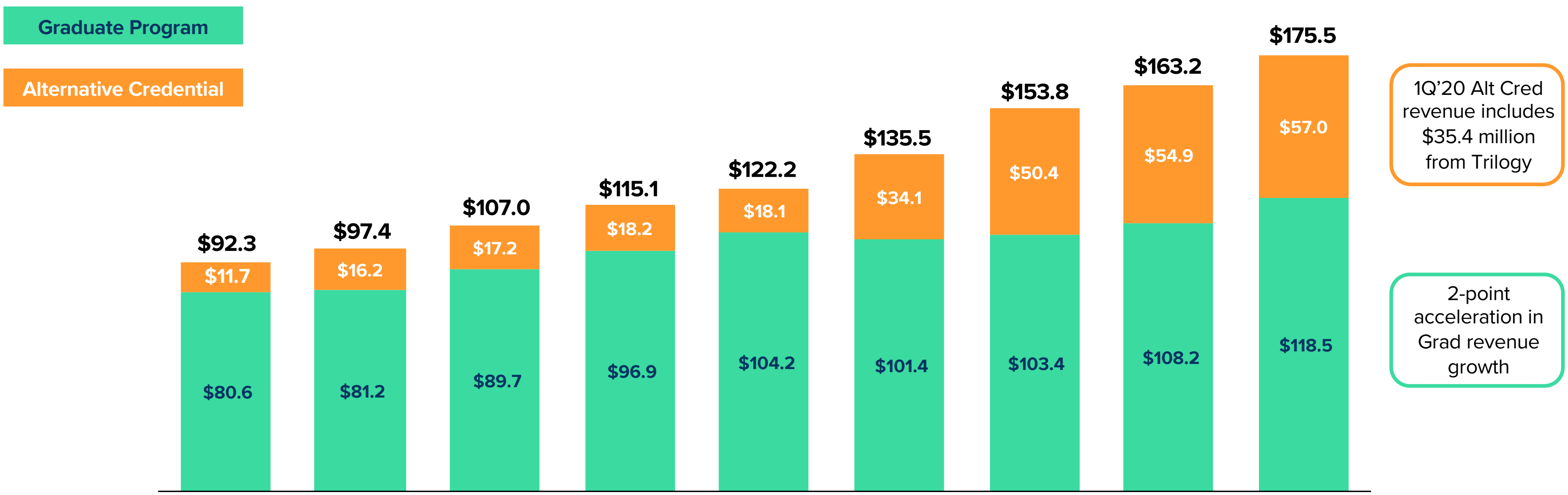
(1) Does not include impact of Trilogy acquisition

(2) Includes impact of Trilogy acquisition

(3) Refer to the Appendix for an explanation of non-GAAP financial measures, and why we believe these measures can be useful, as well as a reconciliation of non-GAAP financial measures to the most comparable GAAP measures, when applicable. 1Q’20 net loss was $60.1 million. 1Q’20 trailing twelve-month net cash used in operating activities was $(29.3).

Consolidated Revenue Growth.

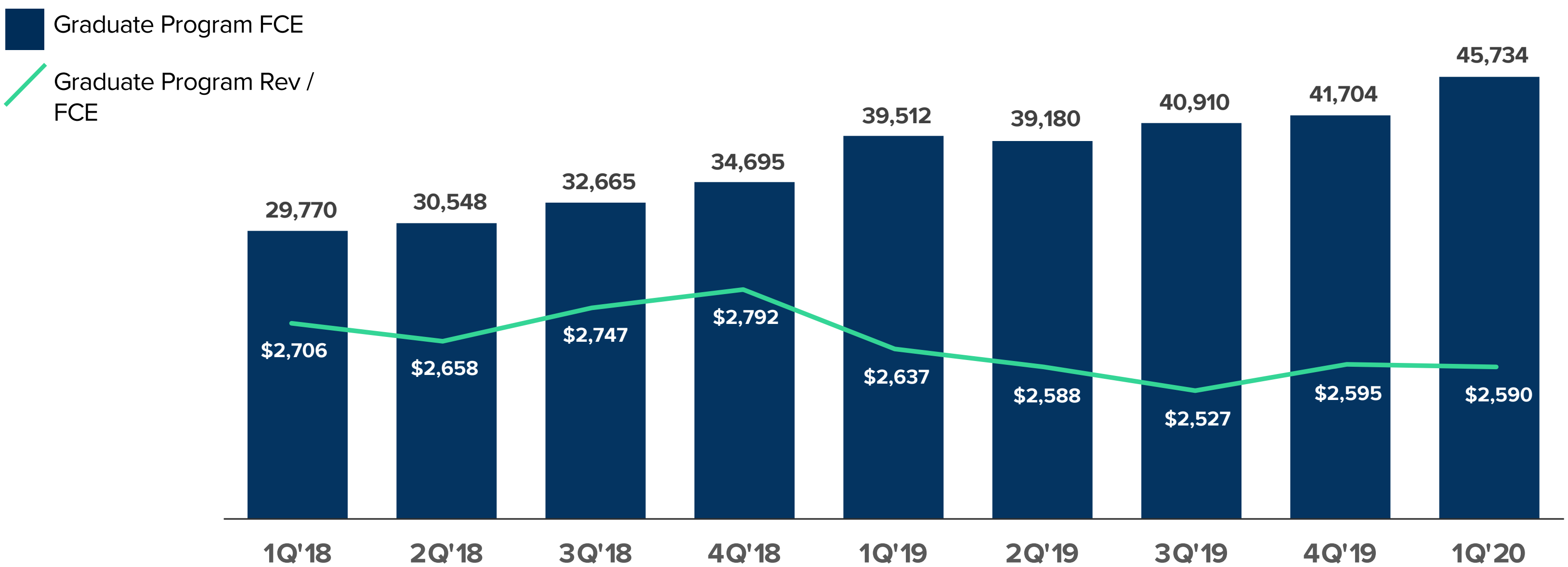
(in millions)



	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20
Y/Y Growth	42%	50%	52%	33%	32%	39%	44%	42%	44%
G.P. Y/Y Growth	24%	25%	36%	30%	29%	25%	15%	12%	14%
A.C. Y/Y Growth	-	-	299%	52%	54%	110%	192%	202%	216%
Organic Consol. Y/Y Growth[1]	24%	25%	52%	33%	32%	27%	17%	13%	15%

(1) *Organic consolidated growth for each quarter excludes all revenue from acquisitions completed since the start of the prior-year quarter where applicable. The acquisition of GetSmarter was completed July 1, 2017. The acquisition of Trilogy Education Services was completed May 22, 2019.*

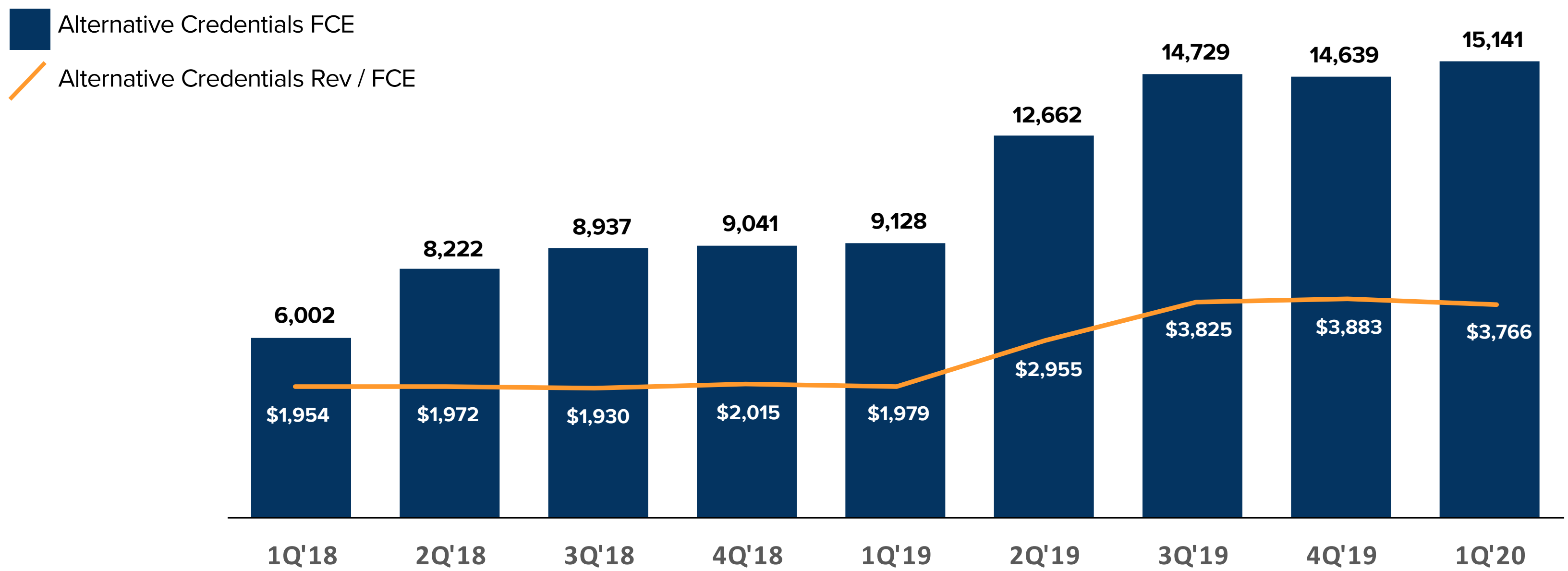
Graduate Program Full Course Equivalent Enrollments.



	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20
G.P. FCE Y/Y Growth	25%	28%	36%	28%	33%	28%	25%	20%	16%
G.P. Rev / FCE Y/Y Growth	(0)%	(2)%	0%	1%	(3)%	(3)%	(8)%	(7)%	(2)%

Change in rev / FCE driven by mix shift towards recently launched, lower cost programs and increase in scholarships, in line with our mission to improve access to higher education

Alternative Credentials Full Course Equivalent Enrollments.

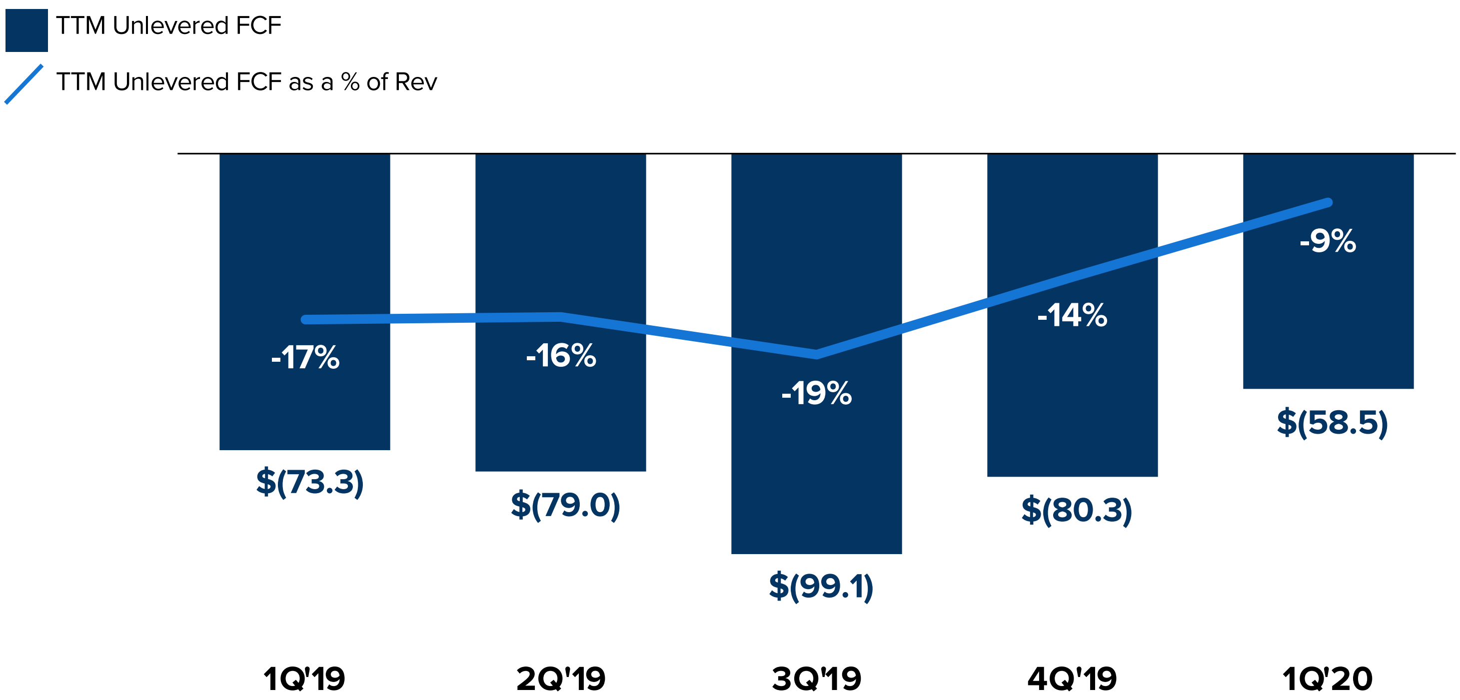


	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20
A.C. FCE Y/Y Growth	--	--	119%	34%	52%	54%	65%	62%	66%
A.C. Rev / FCE Y/Y Growth	--	--	57%	13%	1%	50%	98%	93%	90%

Alternative Credentials FCE and rev / FCE growth driven by the inclusion of Trilogy's results. Boot camps have higher rev / FCE than short courses, so Alt Cred rev / FCE expected to increase until the acquisition is fully lapped in 3Q'20

Unlevered Free Cash Flow[1].

(in millions on a trailing twelve-month basis)



(1) Refer to the Appendix for a reconciliation of unlevered free cash flow to net cash used in operating activities, an explanation of non-GAAP financial measures, and why we believe these measures can be useful.

Key Takeaways.

1. Delivered strong first quarter results with all educational offerings continuing to operate and to enroll new students.
2. Positive FCF trend driven by improvement in first quarter adjusted EBITDA margin and net working capital initiatives.
3. Adoption of digital education is accelerating, as evidenced by increasing demand for our offerings and services.

Appendix

Non-GAAP Measures.

To provide investors and others with additional information regarding 2U's results, the company has disclosed the following non-GAAP financial measures: adjusted EBITDA (loss), unlevered free cash flow, adjusted net income (loss), and adjusted net income (loss) per share. The company has provided a reconciliation of each non-GAAP financial measure used in this presentation to the most directly comparable GAAP financial measure. The company defines adjusted EBITDA (loss) as net income or net loss, as applicable, before net interest income (expense), taxes, depreciation and amortization expense, foreign currency gains or losses, deferred revenue fair value adjustments, transaction costs, integration costs, restructuring-related costs, stockholder activism costs, impairment charges, and stock-based compensation expense. The company defines unlevered free cash flow as net cash from operating activities, less capital expenditures, payments to university clients, restructuring-related and certain other non-ordinary cash payments, and cash interest payments on debt. The company defines adjusted net income (loss) as net income or net loss, as applicable, before foreign currency gains or losses, acquisition-related gains or losses, deferred revenue fair value adjustments, transaction costs, integration costs, restructuring-related costs, stockholder activism costs, impairment charges, and stock-based compensation expense. Adjusted net income (loss) per share is calculated as adjusted net income (loss) divided by diluted weighted-average shares of common stock outstanding for periods which result in adjusted net income, and basic weighted-average shares outstanding for periods which result in an adjusted net loss.

The company's management uses these non-GAAP financial measures to understand and compare operating results across accounting periods, to understand cash that is generated by or available for operational expenses and investment in the business after capital expenditures, for internal budgeting and forecasting purposes, for short- and long-term operating plans, and to evaluate the company's financial performance. Management believes these non-GAAP financial measures reflect the company's ongoing business in a manner that allows for meaningful period-to-period comparisons and analysis of trends in the company's business as they exclude expenses that are not reflective of ongoing operating results. Management also believes that these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating the company's operating results and prospects in the same manner as management and in comparing financial results across accounting periods and to those of peer companies.

The use of adjusted EBITDA (loss), unlevered free cash flow, adjusted net income (loss), and adjusted net income (loss) per share measures have certain limitations, as they do not reflect all items of income and expense that affect the company's operations. The company compensates for these limitations by reconciling the non-GAAP financial measures to the most comparable GAAP financial measures. These non-GAAP financial measures should be considered in addition to, not as a substitute for or in isolation from, measures prepared in accordance with GAAP. Further, these non-GAAP measures may differ from the non-GAAP information used by other companies, including peer companies, and therefore comparability may be limited. Management encourages investors and others to review the company's financial information in its entirety and not rely on a single financial measure.

GAAP to Non-GAAP Reconciliation – 1Q'20 Adjusted EBITDA

(in millions)

Reconciliation of GAAP net loss to non-GAAP adjusted EBITDA	Quarter Ended March 31, 2020
Net loss	**$(60.1)**
Adjustments:	
Interest expense (income), net	5.0
Foreign currency loss	2.3
Income tax benefit	(1.1)
Depreciation and amortization expense	23.5
Transaction and integration costs	0.7
Restructuring-related costs	0.3
Shareholder activism costs	4.2
Stock-based compensation expense	20.9
Total adjustments	55.8
Adjusted EBITDA (loss)	**$(4.3)**

GAAP to Non-GAAP Reconciliation – Unlevered Free Cash Flow.

(in millions on a trailing twelve-month basis)

	Twelve Months Ended				
	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20
Net cash used in operating activities	**$(16.8)**	**$(30.8)**	**$(62.7)**	**$(52.0)**	**$(29.3)**
Additions to amortizable intangible assets	$(57.0)	$(57.6)	$(64.4)	$(64.9)	$(67.2)
Purchase of property and equipment	$(13.3)	$(15.0)	$(15.3)	$(13.4)	$(12.7)
Payments on acquisition of amortizable intangible assets	$(6.2)	$(6.2)	$(1.3)	$(2.2)	$(0.9)
Partner payments	$20.0	$24.7	$26.5	$26.1	$14.9
Non-ordinary cash payments	-	$4.0	$11.0	$14.0	$19.6
Free cash flow	$(73.3)	$(80.9)	$(106.2)	$(92.4)	$(75.6)
Cash interest payments on debt	-	$1.9	$7.1	$12.1	$17.1
Unlevered free cash flow	**$(73.3)**	**$(79.0)**	**$(99.1)**	**$(80.3)**	**$(58.5)**