

Coursera Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(In thousands, except shares and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue	\$ 176,089	\$ 165,540	\$ 515,494	\$ 466,884
Cost of revenue ⁽¹⁾	79,856	82,267	239,589	226,442
Gross profit	<u>96,233</u>	<u>83,273</u>	<u>275,905</u>	<u>240,442</u>
Operating expenses:				
Research and development ⁽¹⁾	31,615	37,616	99,926	122,711
Sales and marketing ⁽¹⁾	59,027	59,792	174,681	164,665
General and administrative ⁽¹⁾	27,361	25,449	81,874	75,909
Restructuring related charges ⁽¹⁾	—	—	2,145	(5,806)
Total operating expenses	<u>118,003</u>	<u>122,857</u>	<u>358,626</u>	<u>357,479</u>
Loss from operations	(21,770)	(39,584)	(82,721)	(117,037)
Other income, net:				
Interest income, net	9,368	8,857	28,237	25,134
Other income (expense), net	219	(325)	(87)	(231)
Loss before income taxes	(12,183)	(31,052)	(54,571)	(92,134)
Income tax expense	1,506	1,038	3,348	4,063
Net loss	<u>\$ (13,689)</u>	<u>\$ (32,090)</u>	<u>\$ (57,919)</u>	<u>\$ (96,197)</u>
Net loss per share—basic and diluted	<u>\$ (0.09)</u>	<u>\$ (0.21)</u>	<u>\$ (0.37)</u>	<u>\$ (0.64)</u>
Weighted average shares used in computing net loss per share—basic and diluted	<u>157,609,988</u>	<u>150,853,611</u>	<u>156,763,734</u>	<u>150,036,927</u>

(1) Includes stock-based compensation expense as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cost of revenue	\$ 594	\$ 239	\$ 1,963	\$ 2,030
Research and development	10,186	11,595	32,060	38,363
Sales and marketing	5,757	7,479	22,199	23,335
General and administrative	8,730	8,540	26,918	23,780
Restructuring related charges	—	—	—	(5,605)
Total stock-based compensation expense	<u>\$ 25,267</u>	<u>\$ 27,853</u>	<u>\$ 83,140</u>	<u>\$ 81,903</u>

Coursera Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)
(In thousands)

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 719,439	\$ 656,321
Marketable securities	—	65,746
Accounts receivable, net	47,572	67,418
Deferred costs, net	24,594	26,387
Prepaid expenses and other current assets	29,592	16,614
Total current assets	821,197	832,486
Property, equipment, and software, net	36,149	30,408
Operating lease right-of-use assets	3,781	4,739
Intangible assets, net	20,538	11,720
Other assets	32,474	41,180
Total assets	<u>\$ 914,139</u>	<u>\$ 920,533</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Educator partners payable	\$ 97,791	\$ 101,041
Other accounts payable and accrued expenses	25,742	23,456
Accrued compensation and benefits	22,320	22,281
Operating lease liabilities, current	755	6,557
Deferred revenue, current	152,882	137,229
Other current liabilities	15,318	7,696
Total current liabilities	314,808	298,260
Operating lease liabilities, non-current	2,972	39
Deferred revenue, non-current	1,480	2,861
Other liabilities	1,597	3,179
Total liabilities	320,857	304,339
Stockholders' equity:		
Common stock	2	2
Additional paid-in capital	1,496,786	1,459,964
Treasury stock, at cost	(64,910)	(63,154)
Accumulated other comprehensive income	—	59
Accumulated deficit	(838,596)	(780,677)
Total stockholders' equity	593,282	616,194
Total liabilities and stockholders' equity	<u>\$ 914,139</u>	<u>\$ 920,533</u>

Coursera Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(In thousands)

	Nine Months Ended September 30,	
	2024	2023
Cash flows from operating activities:		
Net loss	\$ (57,919)	\$ (96,197)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	18,732	16,502
Stock-based compensation expense	83,140	81,903
Accretion of marketable securities	(235)	(12,301)
Impairment of long-lived assets	817	2,844
Other	418	693
Changes in operating assets and liabilities:		
Accounts receivable, net	19,319	(9,032)
Prepaid expenses and other assets	(2,802)	(17,008)
Operating lease right-of-use assets	3,996	3,631
Accounts payable and accrued expenses	(3,767)	32,568
Accrued compensation and other liabilities	6,080	(2,003)
Operating lease liabilities	(5,906)	(5,980)
Deferred revenue	14,273	22,451
Net cash provided by operating activities	<u>76,146</u>	<u>18,071</u>
Cash flows from investing activities:		
Purchases of marketable securities	—	(121,756)
Proceeds from maturities of marketable securities	66,000	380,000
Purchases of property, equipment, and software	(504)	(1,026)
Capitalized internal-use software costs	(13,579)	(11,463)
Purchase of minority interest	—	(1,701)
Purchases of content assets	(10,182)	(3,377)
Net cash provided by investing activities	<u>41,735</u>	<u>240,677</u>
Cash flows from financing activities:		
Proceeds from exercise of stock options	6,852	20,901
Proceeds from employee stock purchase plan	3,816	3,530
Payments for repurchases of common stock	(36,705)	(58,453)
Payments for tax withholding on vesting of restricted stock units	(28,259)	(38,682)
Net cash used in financing activities	<u>(54,296)</u>	<u>(72,704)</u>
Net increase in cash, cash equivalents, and restricted cash	63,585	186,044
Cash, cash equivalents, and restricted cash—Beginning of period	658,086	322,878
Cash, cash equivalents, and restricted cash—End of period	\$ <u>721,671</u>	\$ <u>508,922</u>

Coursera Inc.

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES (Unaudited)

(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Gross profit	\$ 96,233	\$ 83,273	\$ 275,905	\$ 240,442
Stock-based compensation expense	594	239	1,963	2,030
Amortization of stock-based compensation capitalized as internal-use software costs	1,297	1,325	4,198	3,711
Payroll tax expense related to stock-based compensation	13	24	81	100
Non-GAAP gross profit	\$ 98,137	\$ 84,861	\$ 282,147	\$ 246,283

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net loss	\$ (13,689)	\$ (32,090)	\$ (57,919)	\$ (96,197)
Stock-based compensation expense	25,267	27,853	83,140	87,508
Amortization of stock-based compensation capitalized as internal-use software costs	1,297	1,325	4,198	3,711
Payroll tax expense related to stock-based compensation	392	765	2,773	3,142
M&A related transaction costs	—	—	3,369	—
Significant and non-recurring legal matters	3,342	—	4,601	—
Restructuring related charges	—	—	2,145	(5,806)
Non-GAAP net income (loss)	\$ 16,609	\$ (2,147)	\$ 42,307	\$ (7,642)
Weighted-average shares used in computing net loss per share—basic	157,609,988	150,853,611	156,763,734	150,036,927
Effect of dilutive securities ⁽²⁾	3,454,266	—	7,296,376	—
Weighted-average shares used in computing non-GAAP net income (loss) per share—diluted	161,064,254	150,853,611	164,060,110	150,036,927
Net loss per share—basic and diluted	\$ (0.09)	\$ (0.21)	\$ (0.37)	\$ (0.64)
Non-GAAP net income (loss) per share—diluted	\$ 0.10	\$ (0.01)	\$ 0.26	\$ (0.05)

(2) For periods presented with a non-GAAP net loss, we have excluded the effect of potentially dilutive securities as their inclusion would be anti-dilutive.

Financial Tables

Q3 2024

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net loss	\$ (13,689)	\$ (32,090)	\$ (57,919)	\$ (96,197)
Depreciation and amortization	6,107	5,660	18,732	16,502
Interest income, net	(9,368)	(8,857)	(28,237)	(25,134)
Income tax expense	1,506	1,038	3,348	4,063
Other (income) expense, net	(219)	325	87	231
Stock-based compensation expense	25,267	27,853	83,140	87,508
Payroll tax expense related to stock-based compensation	392	765	2,773	3,142
M&A related transaction costs	—	—	3,369	—
Significant and non-recurring legal matters	3,342	—	4,601	—
Restructuring related charges	—	—	2,145	(5,806)
Adjusted EBITDA	<u>\$ 13,338</u>	<u>\$ (5,306)</u>	<u>\$ 32,039</u>	<u>\$ (15,691)</u>
Net loss margin	(8)%	(19)%	(11)%	(21)%
Adjusted EBITDA Margin	8 %	(3)%	6 %	(3)%

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net cash provided by operating activities ⁽³⁾	\$ 27,845	\$ 19,750	\$ 76,146	\$ 18,071
Less: purchases of property, equipment, and software	(194)	(305)	(504)	(1,026)
Less: capitalized internal-use software costs	(4,911)	(3,859)	(13,579)	(11,463)
Less: purchases of content assets	(5,995)	(2,077)	(10,182)	(3,377)
Free Cash Flow	<u>\$ 16,745</u>	<u>\$ 13,509</u>	<u>\$ 51,881</u>	<u>\$ 2,205</u>

(3) The nine months ended September 30, 2024 and 2023 include \$2.1 million and \$5.1 million in cash payments for restructuring related charges.