Q1 Fiscal Year 2021

Earnings Presentation

May 4, 2021

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Disclaimer

Information contained in this presentation is current as of the Q1 FY21 earnings date

Non-GAAP Financial Measures

In addition to financial information presented in accordance with GAAP, this presentation includes non-GAAP gross profit, non-GAAP net loss, adjusted EBITDA, adjusted EBITDA margin and Free Cash Flow, each of which is a non-GAAP financial measure. These are key measures used by our management to help us analyze our financial results, establish budgets and operational goals for managing our business, evaluate our performance, and make strategic decisions. Accordingly, we believe that these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors. In addition, we believe these measures are useful for period-to-period comparisons of our business. We also believe that the presentation of these non-GAAP financial measures provides an additional tool for investors to use in comparing our core business and results of operations over multiple periods with other companies in our industry, many of which present similar non-GAAP financial measures to investors, and to analyze our cash performance. However, the non-GAAP financial measures presented may not be comparable to similarly titled measures reported by other companies due to differences in the way that these measures are calculated. These non-GAAP financial measures are presented for supplemental informational purposes only and should not be considered as a substitute for or in isolation from financial information presented in accordance with GAAP. These non-GAAP metrics have limitations as analytical tools. You are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures as detailed in this presentation. You should not rely on any single financial measure to evaluate our business.

Forward Looking Statements

This presentation contains forward-looking statements that involve substantial risks and uncertainties. Any statements contained in this presentation that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by the words "may," "might," "will," "can," "could," "would," "should," "expect," "intend," "plan," "objective," "target," "anticipate," "believe," "estimate," "predict," "project," "potential," "continue," and "ongoing," or the negative of these terms, or other comparable terminology intended to identify statements about the future. These forward-looking statements include statements regarding: the impact of the COVID-19 pandemic on our market, business and operations; trends in the online learning market, including with respect to the impact of technology on higher education, the need for global education, and developing skills for a digital future; trends in the higher education market; opportunities to drive growth for Coursera; features and anticipated benefits of our content and platform offerings and global learning ecosystem; and our financial outlook, future financial performance, and expectations, among others. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from the information expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, the following: our ability to manage our growth; our limited operating history; the COVID-19 pandemic's impact on our business and our industry; the nascency of online learning solutions and risks related to market adoption of online learning; our ability to maintain and expand our partnerships with our university and industry partners; our ability to attract and retain learners; our ability to increase sales of our Enterprise offering; our ability to compete effectively; regulatory matters impacting us or our partners; risks related to intellectual property; cyber security and privacy risks and regulations; potential disruptions to our platform; and our status as a B Corp, as well as the risks discussed in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 and as detailed from time to time in our SEC filings. You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Such forward-looking statements relate only to events as of the date of this presentation. We undertake no obligation to update any forward-looking statements except to the extent required by law.

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Q1 Earnings Summary

As of March 31, 2021

TOTAL Q1 REVENUE

$88.4M

+64% y/y

	CONSUMER	ENTERPRISE	DEGREES
REVENUE	**$51.9M** +61% y/y	**$24.5M** +63% y/y	**$12.0M** +81% y/y
SEGMENT MARGIN	**$29.7M** 57% of revenue	**$16.6M** 68% of revenue	**$12.0M** 100% of revenue
KEY BUSINESS METRICS[1]	**82M registered learners** +5M in the quarter	**479 paid enterprise customers** +84% y/y **113% net retention rate** for paid enterprise customers	**13,493 degrees students** +88% y/y

1. As of March 31, 2020. See Appendix slide "Key Business Metrics Definitions" for more information.

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MISSION

Provide universal access to world-class learning

Certified

B

Corporation

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Higher education is being replatformed

The force of technology is transforming industry after industry, but higher education has seen relatively little innovation over the past 3 centuries

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Retail
$25T

Entertainment
$2T

Music
$20B

Personal
Transportation
$6T

Travel
$1T

Higher
Education
$2T

⬆ selection ⬆ convenience ⬇ cost ⬆ quality ⬆ personalization ⬆ access
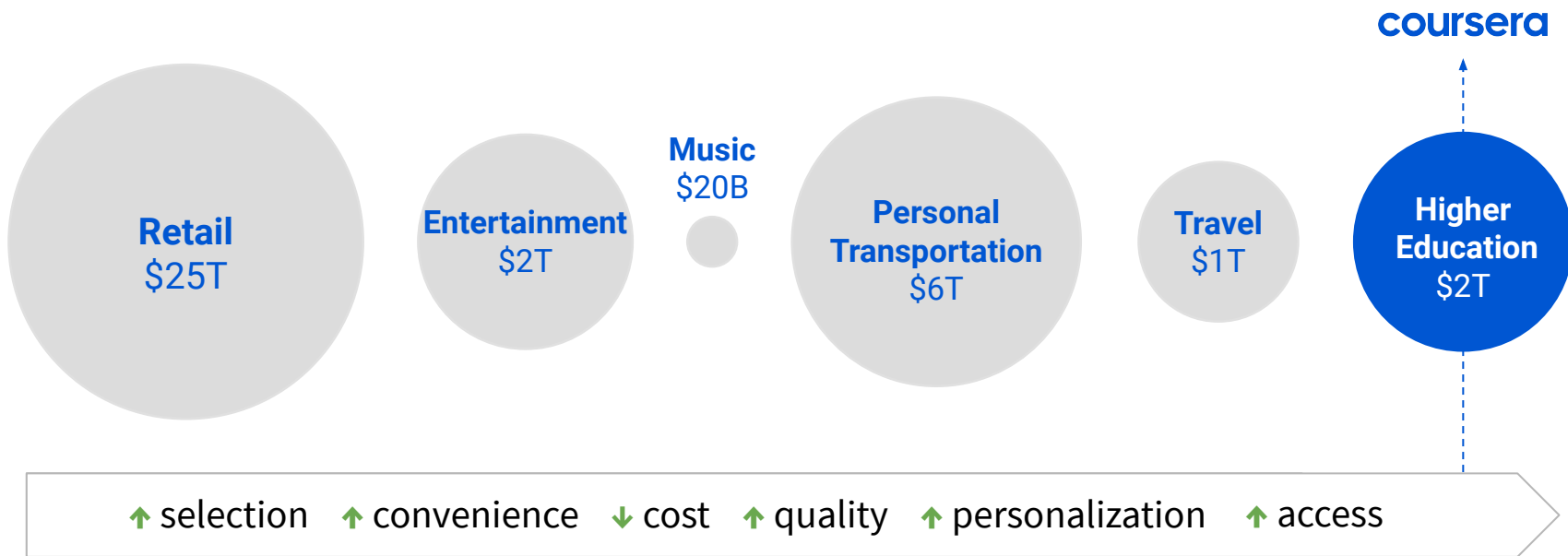
Note: Area of circles are illustrative and do not directly reflect relative proportional market size. Market sizes are based on company prospectuses and third-party reports, as of various dates.

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The need for **global education** is growing

43 million in U.S.

22 million in Mexico

29 million in Brazil

1.3 billion

people are projected to reach working age in the next 10 years

241 million in India

170 million in China
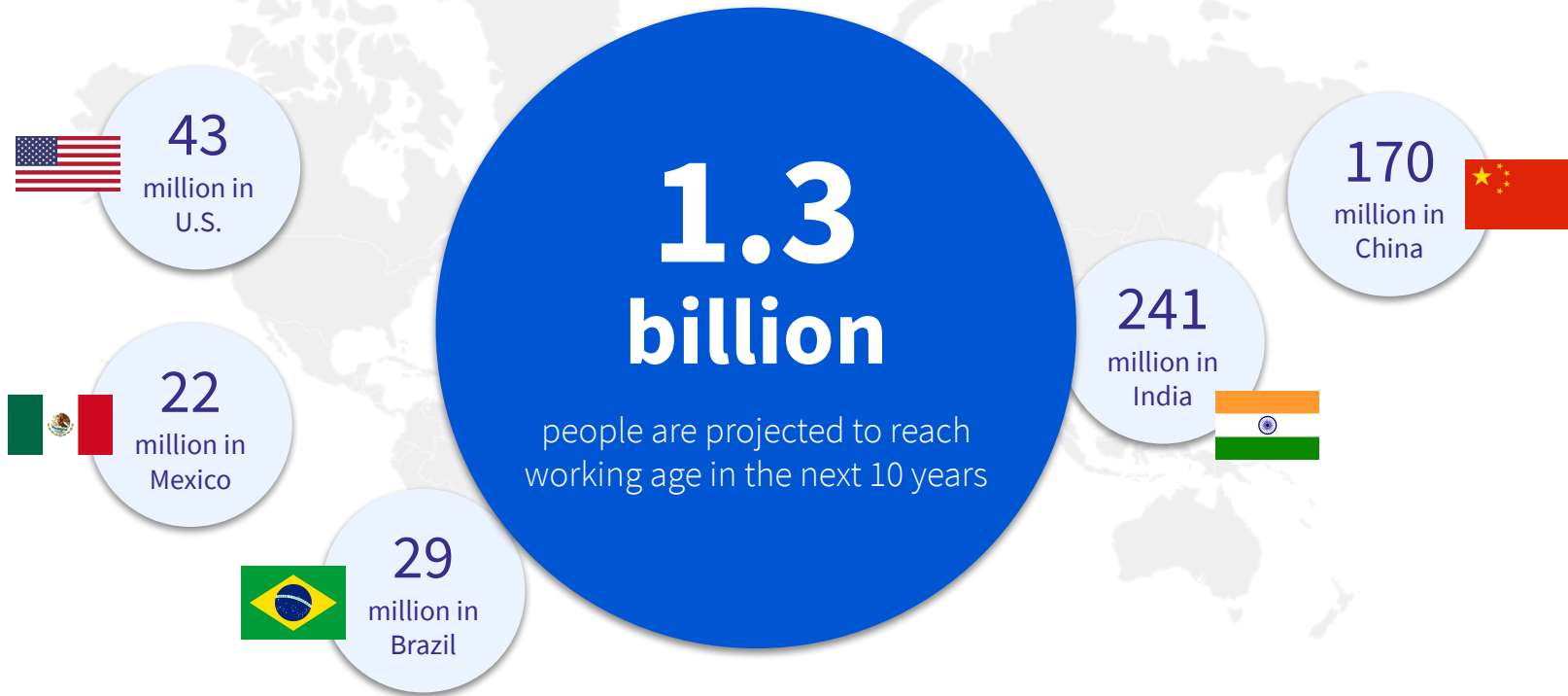
Note: Source: UN, World Population Prospects, 2019. Working age defined as 15-64. Note: Figures are approximate.

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Low-skilled jobs are at risk of automation

Typical education level
- 🟥 No formal education
- 🟧 High school diploma
- 🟨 Postsecondary non-degree
- 🟦 College degree

Knowledge

• Digital skills

• Credentials

IT managers

Financial managers

Lawyers

General managers

Specialized coders

Wages

Post-secondary school teachers

Business ops specialists

Elementary teachers

Nurses

Retail supervisors

Cosmetologists

Accountants

Computer support specialists

Customer service reps

Truck drivers

Retail Sales

Real Estate Brokers

Stock clerks

Personal care aids

Freight movers

Cashiers

Waiters

Risk of automation

Least vulnerable

Most vulnerable

Source: Bloomberg, 2017 based on Oxford University & the Bureau of Labor Statistics.

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Low-skilled jobs are at risk of automation

Typical education level

- No formal education
- High school diploma
- Postsecondary non-degree
- College degree

Most vulnerable to COVID-19

84% of employers report that the pandemic has increased their intent to rapidly digitize work processes

- *World Economic Forum's Future of Jobs Report, October 2020*

Wages

Risk of automation

Least vulnerable

Most vulnerable

IT managers

Financial managers

Lawyers

Specialized coders

Post-secondary school teachers

Elementary teachers

Nurses

Retail supervisors

Cosmetologists

service reps

Stock clerks

Personal care aids

Freight movers

truck drivers

Accountants

Retail Sales

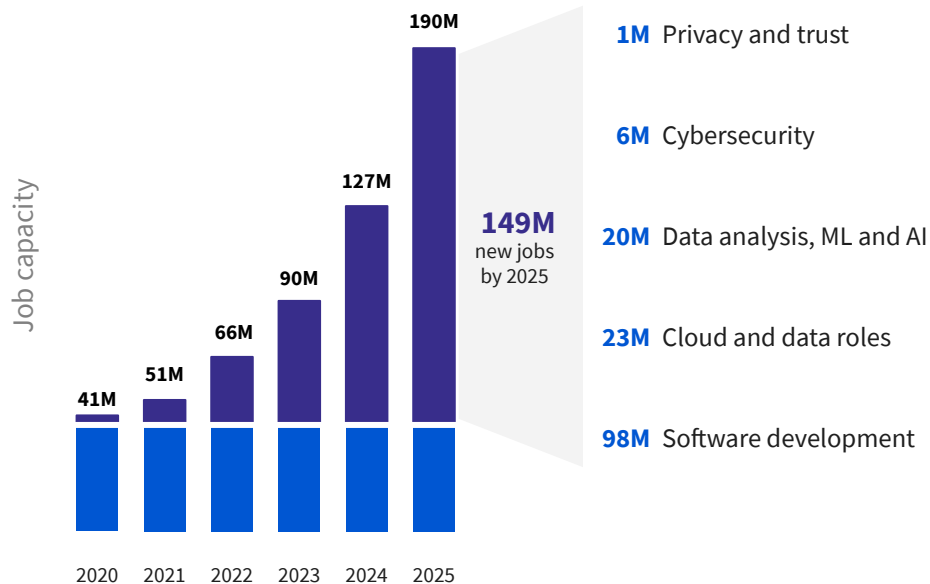Real Estate Brokers

Cashiers

Waiters

Source: Bloomberg, 2017 based on data from Oxford University & the Bureau of Labor Statistics; McKinsey Interactive Data, Employment impact of COVID-19 across industries and occupations (data as of April 2020). Note: Most vulnerable to COVID-19 equates to highest percentage of sector at risk as per Mckinsey's interactive data.

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Emerging job opportunities **require digital skills**

Top 10 jobs with **increasing demand**[1]

1	Data Analyst and Scientists
2	AI / ML Learning Specialists
3	Big Data Specialists
4	Digital Marketing and Strategy Specialists
5	Process Automation Specialists
6	Business Development Professionals
7	Digital Transformation Specialists
8	Information Security Analysts
9	Software / Application Developers
10	Internet of Things Specialists

Digital job capacity from 2020-2025[2]

149M new jobs by 2025

- **1M** Privacy and trust
- **6M** Cybersecurity
- **20M** Data analysis, ML and AI
- **23M** Cloud and data roles
- **98M** Software development

Job capacity

41M 51M 66M 90M 127M 190M

2020 2021 2022 2023 2024 2025

Sources: 1. Future of Jobs Survey 2020, World Economic Forum. 2. Microsoft Data Science, June 2020.

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Access to higher education is limited

88%
in U.S.

42%
in Mexico

52%
in Brazil

39%
of people entering the global workforce have accessed college-level education

54%
in China

29%
in India

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Coursera's platform advantage
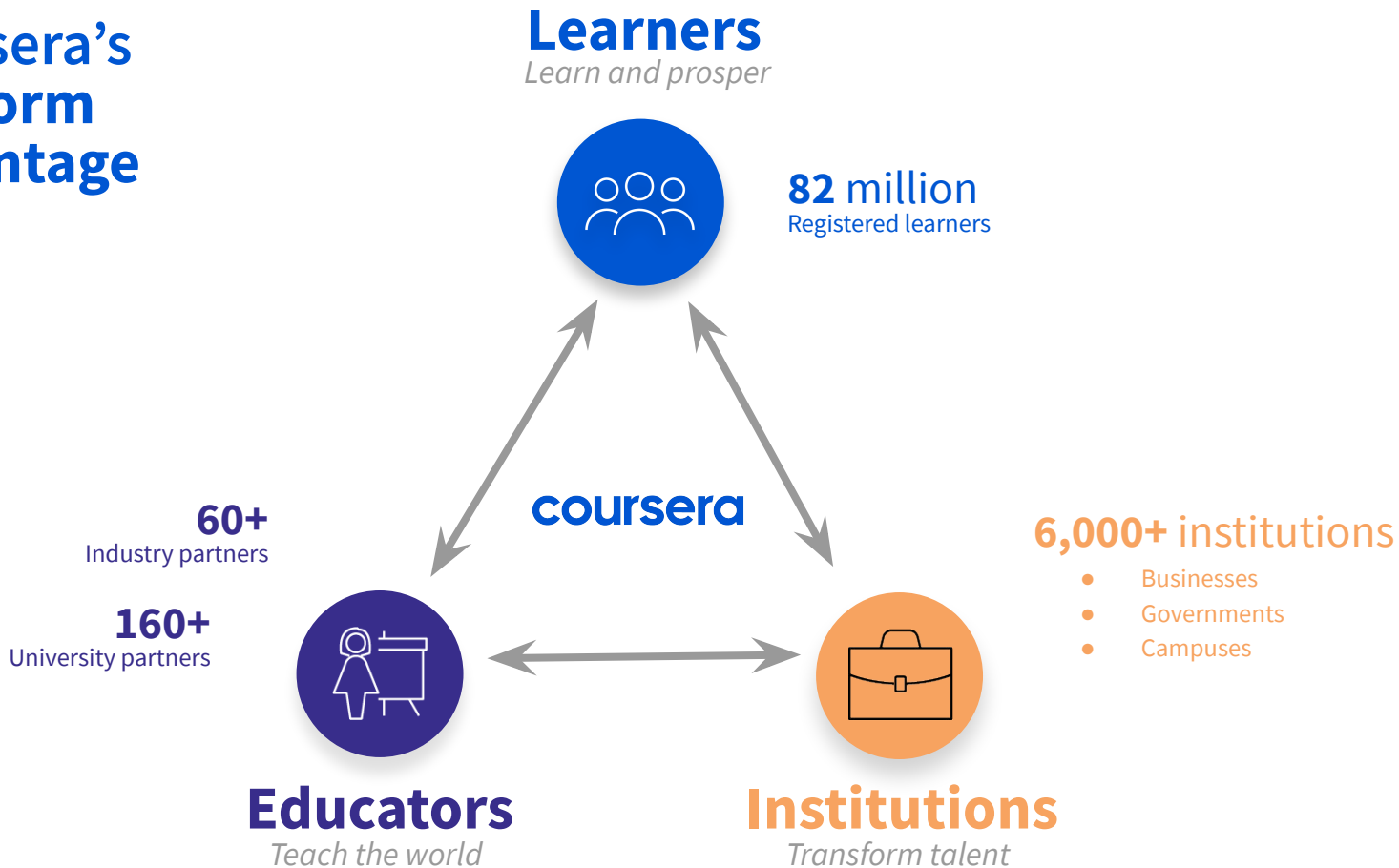
Learners
Learn and prosper

82 million
Registered learners

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60+
Industry partners

160+
University partners

6,000+ institutions
- Businesses
- Governments
- Campuses

Educators
Teach the world

Institutions
Transform talent

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Stackable **content & credentials** from leading brands

Broad selection

Affordable and convenient

1,000+ Projects	**$10/project** *< 2 hours*
5,000+ Courses	**Free to $99/course** *4-6 weeks*
550+ Specializations	**$39 - $99/month** *3-6 months*
40+ Certificates	**$39 - $99/month** **$2,000 - $6,000** *3-12 months*
30 Degrees	**$9,000 - $45,000** *2 years+*

Source: Coursera data, as of March 31, 2021

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Stackable **content & credentials** from leading brands

Free content

Data-driven marketing of paid products

$

$

$

- **Content-driven acquisition**
- SEO
- Paid ads
- Word of mouth

Source: Coursera data, as of March 31, 2021

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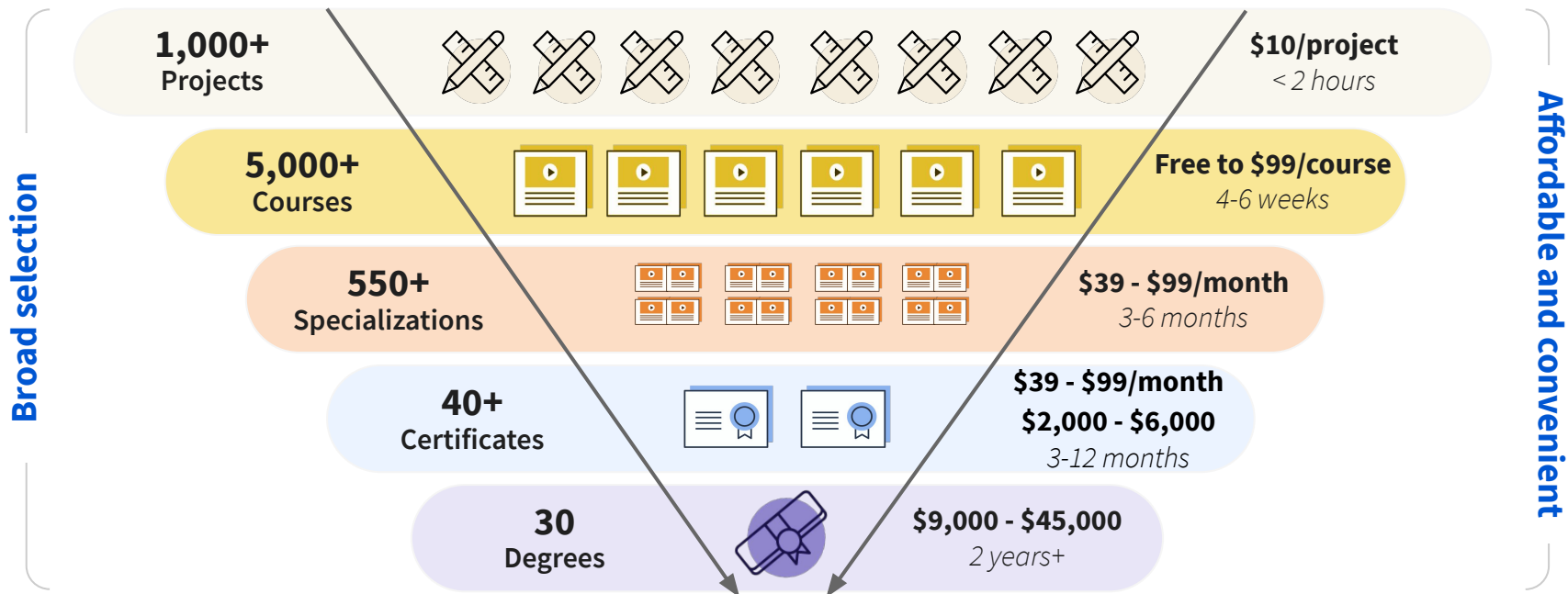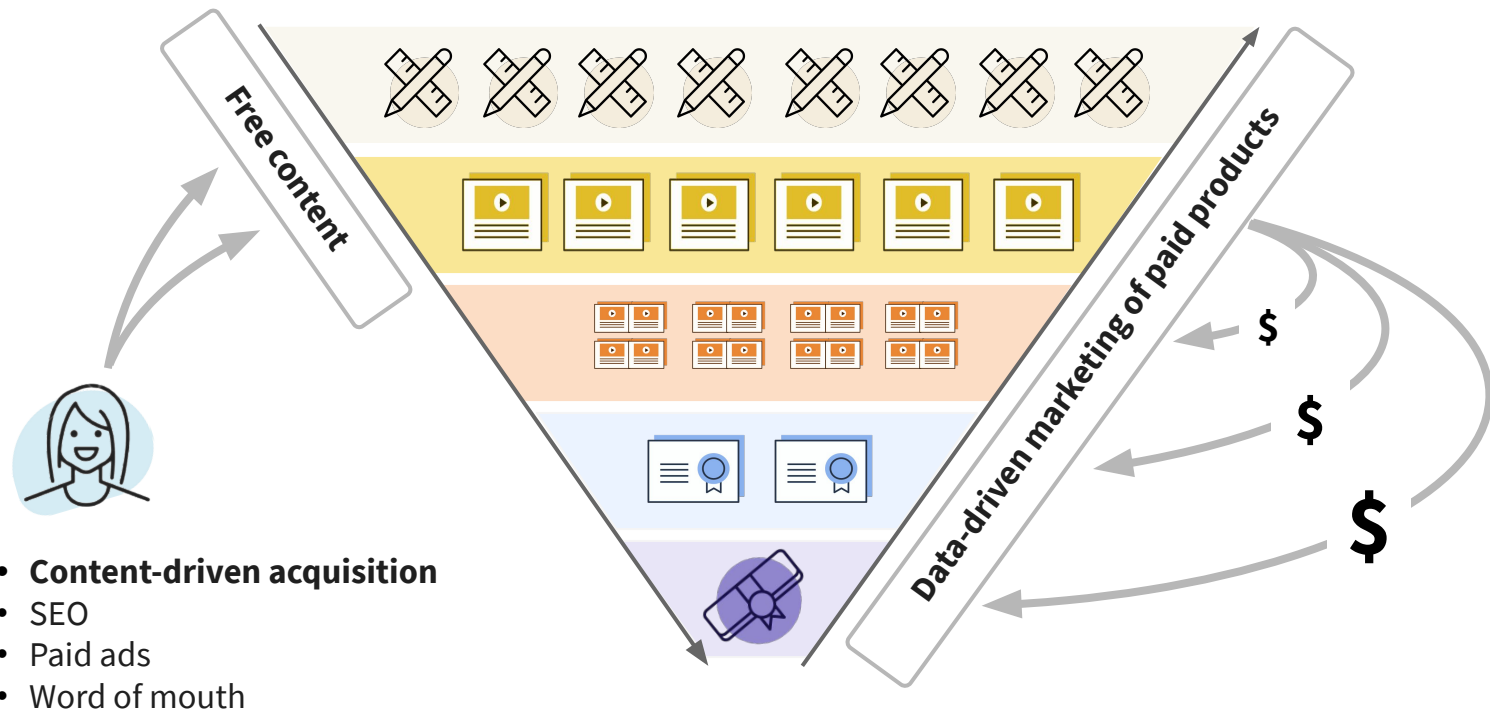
Our business model at a glance

	Consumer	Enterprise	Degrees
Revenue model	Learners access content for free and pay to earn course certificates upon completion, including **one-time payments** for single courses or **subscriptions** for multi-course offerings	Institutions access our catalog of learning products (excluding Degrees) and pay for **annual seat license subscriptions**	Universities partner with us to develop and deliver online degrees and pay a **percentage fee based on student tuition**
Visibility	Predictable cohort behavior	1 to 3 year contracts	2-10 year partner contracts
Go-to-Market	Direct to Consumer	Enterprise Sales	Direct to institution / Partnership model

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Payment flow by business segment

Consumer

Learner
pays Coursera

$

Coursera
pays a content fee to
partner

$

Educator partner

Enterprise

Enterprise pays
seat license to
Coursera

$

Coursera
pays a content fee to
partners based on
enrollments

$

Educator partner

Degrees

Student
pays tuition
to university

$

University
pays a % of tuition
to Coursera

$

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Growth driven by **strong results across the business**

Total revenue
(millions)

$88.4M
+64% y/y

$88.4

$53.8

Q1'20   Q1'21
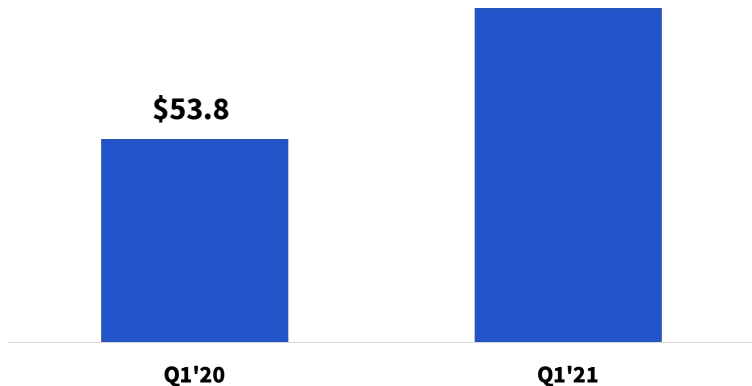
Mix of revenue by segment
(percentage of total revenue)

13.5%
+130 bps

27.7%
(20) bps

58.7%
(110) bps

■ **Consumer**

■ **Enterprise**

■ **Degrees**

Q1'21

Note: Numbers are rounded for presentation purposes.

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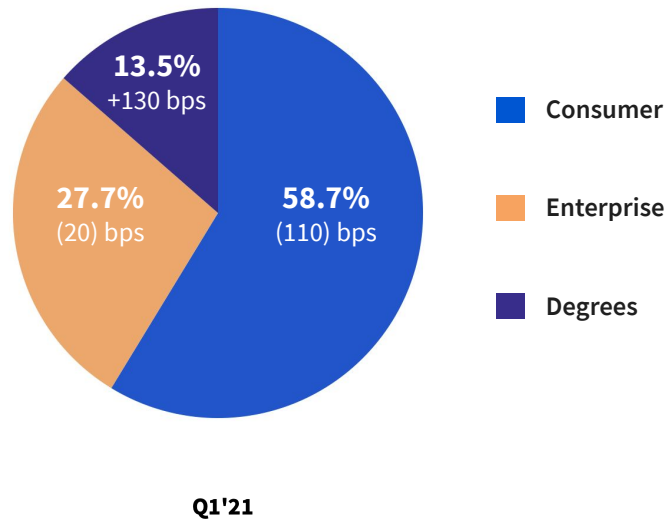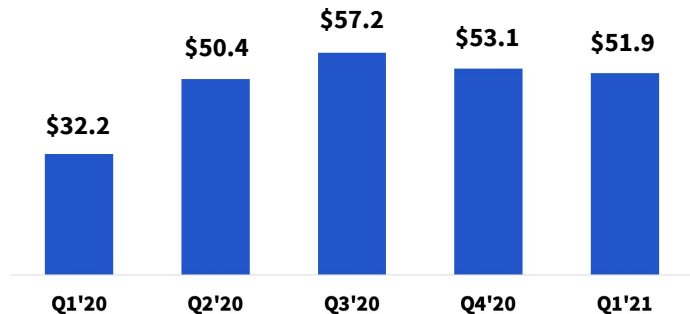
Consumer

$51.9M
+61% y/y

Broad-based strength across all regions and strong initial adoption of recently launched Professional Certificates

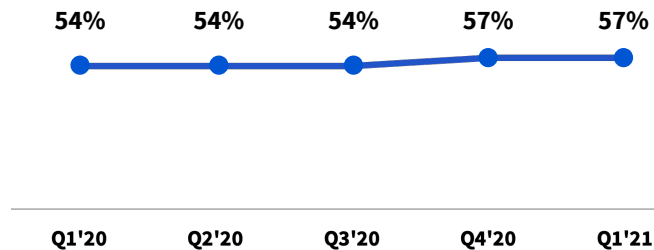**5 million** new Registered Learners added during the quarter for a total base of **82 million**[1]

Revenue
(millions)

$32.2	$50.4	$57.2	$53.1	$51.9
Q1'20	Q2'20	Q3'20	Q4'20	Q1'21

Segment Margin[2]
(percentage of Consumer revenue)

54%	54%	54%	57%	57%
Q1'20	Q2'20	Q3'20	Q4'20	Q1'21

1 See Appendix slide "Key Business Metrics Definitions" for more information.
2 Defined as segment revenue less content costs in our audited financial statements.

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Enterprise

$24.5M
+63% y/y

Strong growth in new and existing customers across all institutional categories, including businesses, governments and campuses

Paid Enterprise Customers increased **+84%** y/y to **479**[1]

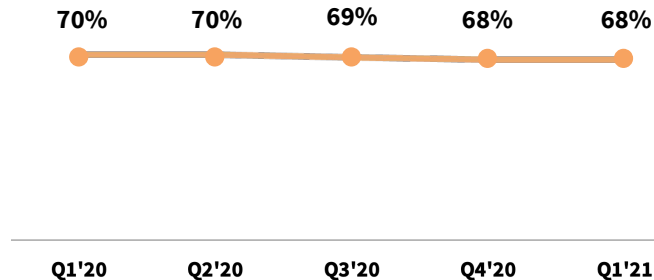Net Retention Rate (NRR) for Paid Enterprise Customers was **113%**[1]

Revenue
(millions)

Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
$15.0	$16.7	$18.2	$20.9	$24.5

Segment Margin[2]
(percentage of Enterprise revenue)

Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
70%	70%	69%	68%	68%

1 See Appendix slide "Key Business Metrics Definitions" for more information.
2 Defined as segment revenue less content costs in our audited financial statements.
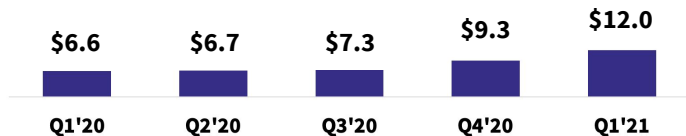
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Degrees

$12.0M
+81% y/y

Prior student cohorts continue to scale as new students embrace our expanded degree program offerings

Degrees Students reached **13,493**, up **+88%** y/y[1]

Revenue
(millions)

| $6.6 | $6.7 | $7.3 | $9.3 | $12.0 |
| Q1'20 | Q2'20 | Q3'20 | Q4'20 | Q1'21 |

Segment Margin[2]
(percentage of Degrees revenue)

| 100% | 100% | 100% | 100% | 100% |
| Q1'20 | Q2'20 | Q3'20 | Q4'20 | Q1'21 |

1 See Appendix slide "Key Business Metrics Definitions" for more information.
2 There is no content cost attributable to the Degrees segment as students pay tuition directly to the university, and the university pays us a fee based on the amount of tuition.

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Multiple levers to drive growth across the business

Enterprise

Expand Enterprise sales organization to win new logos and grow existing customer relationships

Degrees

Expand the number of online degrees and the number of students in Degree programs

Consumer

Continue to grow our learner base with freemium flywheel and improve data-driven targeting of paid content

Localization

Improve go-to-market effectiveness with configurable localization, especially in emerging markets

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Guidance

	Q2'21	FY'21[1]
Revenue	**$89 - 93 million**	**$369 - 381 million**
Adjusted EBITDA[2]	**$(9.5) - (12.5) million**	**$(45.5) - (52.5) million**
Weighted Average Share Count	**130.5 million**	**111.7 million**

1 Fiscal year 2021 ends December 31, 2021.
2 We defined adjusted EBITDA as our net loss excluding: (1) depreciation and amortization; (2) interest income, net; (3) stock-based compensation; (4) income tax expense; and (5) payroll tax expense related to stock-based activities. Please see the Appendix for reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures historical periods. Reconciliations are not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, expenses that may be incurred in the future.

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Appendix

Operating Segments

	Q1 FY20		Q1 FY21		Change
Consumer:					
Revenue	$	32,230	$	51,908	*61%*
Percentage of total revenue		*59.9%*		*58.8%*	
Cost of revenue[1]		14,666		22,253	
Segment gross profit		17,564		29,655	69%
Segment gross margin		54.5%		57.1%	
Enterprise:					
Revenue	$	15,026	$	24,493	*63%*
Percentage of total revenue		*27.9%*		*27.7%*	
Cost of revenue[1]		4,440		7,912	
Segment gross profit		10,586		16,581	*57%*
Segment gross margin		70.5%		67.7%	
Degrees:					
Revenue	$	6,591	$	11,961	*81%*
Percentage of total revenue		*12.2%*		*13.5%*	
Cost of revenue[2]		-		-	
Segment gross profit		6,591		11,961	*81%*
Segment gross margin		100.0%		100.0%	

1 Defined as segment revenue less content costs in our audited financial statements.
2 There is no content cost attributable to the Degrees segment as students pay tuition directly to the university, and the university pays us a fee based on the amount of tuition.
Note: $ in thousands, except all percentages. Numbers are rounded for presentation purposes.

GAAP to Non-GAAP Reconciliation

Q1 FY21

		GAAP	Stock-based Compensation	Payroll tax expense related to stock-based activities		Non-GAAP
Revenue	$	88,362			$	88,362
Cost of revenue		38,826	(107)	(1)		38,718
Gross profit		49,536	107	1		49,644
Operating expenses:						
Research and development		22,140	(2,028)	(23)		20,089
Sales and marketing		32,613	(1,347)	(1)		31,265
General and administrative		13,144	(1,802)	(2)		11,340
Total operating expenses		67,897	(5,177)	(26)		62,694
Loss from operations		(18,361)	5,284	27		(13,050)
Interest income		80				80
Other expense, net		(7)				(7)
Loss before income taxes		(18,288)	5,284	27		(12,977)
Income tax expense		375	-	-		375
Net loss	$	(18,663)	5,284	27	$	(13,352)
Net loss margin (a), (b)		(21)%				(15)%
Net loss per share attributable to common stockholders—basic and diluted	$	(0.45)			$	(0.32)
Weighted average shares used in computing net loss per share attributable to common stockholders—basic and diluted		41,218,355				41,218,355

(a) Net loss margin is defined as net loss divided by revenue.
(b) Non-GAAP net loss margin is defined as non-GAAP net loss margin divided by revenue.
Note: $ in thousands, except percentages and per share figures. Numbers are rounded for presentation purposes.

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GAAP to Non-GAAP Reconciliation

Q1 FY20

		GAAP	Stock-based Compensation	Payroll tax expense related to stock-based activities		Non-GAAP
Revenue	$	53,847			$	53,847
Cost of revenue		24,951	(110)	—		24,841
Gross profit		28,896	110	—		29,006
Operating expenses:						
Research and development		15,783	(1,277)	—		14,506
Sales and marketing		20,696	(709)	—		19,987
General and administrative		7,086	(918)	—		6,168
Total operating expenses		43,565	(2,904)	—		40,661
Loss from operations		(14,669)	3,014	—		(11,655)
Interest income		696				696
Other expense, net		(252)				(252)
Loss before income taxes		(14,225)	3,014	—		(11,211)
Income tax expense		89	—	—		89
Net loss	$	(14,314)	3,014	— $		(11,300)
Net loss margin (a), (b)		(27)%				(21)%
Net loss per share attributable to common stockholders—basic and diluted	$	(0.40)			$	(0.32)
Weighted average shares used in computing net loss per share attributable to common stockholders—basic and diluted		35,666,172				35,666,172

(a) Net loss margin is defined as net loss divided by revenue.
(b) Non-GAAP net loss margin is defined as non-GAAP net loss margin divided by revenue.
Note: $ in thousands, except percentages and per share figures. Numbers are rounded for presentation purposes.

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GAAP to Non-GAAP Reconciliation

Adjusted EBITDA

		Q1 FY20		Q1 FY21
Net loss	$	(14,314)	$	(18,663)
Depreciation and amortization		1,993		2,931
Interest income, net		(696)		(80)
Stock-based compensation		3,014		5,284
Income tax expense		89		375
Payroll tax expense related to stock-based activities		-		27
Adjusted EBITDA	$	(9,914)	$	(10,126)

Note: $ in thousands. Numbers are rounded for presentation purposes.

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GAAP to Non-GAAP Reconciliation

Adjusted EBITDA Margin

	Q1 FY20		Q1 FY21	
Revenue	$	53,847	$	88,362
Net loss	$	(14,314)	$	(18,663)
GAAP net loss margin		**(27)%**		**(21)%**
Revenue	$	53,847	$	88,362
Adjusted EBITDA	$	(9,914)	$	(10,126)
Adjusted EBITDA Margin		**(18)%**		**(11)%**

Note: $ in thousands, except all percentages. Numbers are rounded for presentation purposes.

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GAAP to Non-GAAP Reconciliation

Free Cash Flow

	Q1 FY20	Q1 FY21
Net cash used in operating activities	$ (7,536)	$ (4,347)
Less: Purchases of property, equipment, and software	(582)	(307)
Less: Capitalized internal-use software costs	(1,774)	(3,985)
Free Cash Flow	$ (9,892)	$ (8,639)

Note: $ in thousands. Numbers are rounded for presentation purposes.

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Key Business Metrics Definitions

Registered Learners
We count the total number of registered learners at the end of each period. For purposes of determining our registered learner count, we treat each customer account that registers with a unique email as a registered learner and adjust for any spam, test accounts, and cancellations. Our registered learner count is not intended as a measure of active engagement. New registered learners are individuals that register in a particular period.

Paid Enterprise Customers
We count the total number of Paid Enterprise Customers at the end of each period. For purposes of determining our customer count, we treat each customer account that has a corresponding contract as a unique customer, and a single organization with multiple divisions, segments, or subsidiaries may be counted as multiple customers. We define a "Paid Enterprise Customer" as a customer who purchases Coursera via our direct sales force. For purposes of determining our Paid Enterprise Customer count, we exclude our Enterprise customers who do not purchase Coursera via our direct sales force, which include organizations engaging on our platform through our Coursera for Teams offering or through our channel partners.

Net Retention Rate (NRR) for Paid Enterprise Customers
We calculate annual recurring revenue ("ARR") by annualizing each customer's monthly recurring revenue ("MRR") for the most recent month at period end. We calculate "Net Retention Rate" as of a period end by starting with the ARR from all Paid Enterprise Customers as of the twelve months prior to such period end, or Prior Period ARR. We then calculate the ARR from these same Paid Enterprise Customers as of the current period end, or Current Period ARR. Current Period ARR includes expansion within Paid Enterprise Customers and is net of contraction or attrition over the trailing twelve months, but excludes revenue from new Paid Customers in the current period. We then divide the total Current Period ARR by the total Prior Period ARR to arrive at our Net Retention Rate.

Number of Degrees Students
We count the total number of Degrees students for each period. For purposes of determining our Degrees student count, we include all the students that are matriculated in a degree program and who are enrolled in one or more courses in such degree program during the period. If a degree term spans across multiple quarters, said student is counted as active in all quarters of the degree term. For purposes of determining our Degrees student count, we do not include students who are matriculated in the degree but are not enrolled in a course in that period.