Investor Presentation

Q3 2023

October 26, 2023

Disclaimer

Information contained in this presentation is current as of the Q3 2023 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 financial measures have limitations as analytical tools.

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 terms such as: "accelerate," "anticipate, "believe," "can," "continue," "could," "demand," "design", "estimate," "expand," "expect," "intend," "may," "might," "mission," "need", "objective," "ongoing," "outlook", "plan", "potential," "predict," "project," "should," "target," "will," "would," or the negative of these terms, or other comparable terminology intended to identify statements about the future. These forward-looking statements include, but are not limited to, statements regarding enabling a new era of education to better meet the needs of a changing global workforce; the Company's belief regarding the accessibility of high quality education to learners anywhere in the world, including through the acceleration of the Company's AI-powered translation initiative to meet the needs of learners coming to Coursera; the expected benefits of the Company's differentiated catalog of high-quality, branded industry micro-credentials and its anticipated impact on the Company's financial performance; the Company's ability to invest in its platform's multiple growth opportunities while demonstrating leverage and scale in its operating model; the anticipated features and benefits of the Company's AI initiatives, expanded talent and skills development partnerships, new certificate and degree programs and partnerships, and its learning platform (including its machine learning translation initiative, credit recommendations, and new degree pathways); the potential of Coursera's stock repurchase program to reduce the impact of stock dilution; Coursera's mission to provide universal access to world-class learning; the demand for online learning; anticipated features and benefits of our customer and partner relationships and our content and platform offerings; the anticipated utility of non-GAAP financial measures; anticipated growth rates; 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 relative 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 and to create opportunities with new partners; our dependence on our partners for content available on our platform; our ability to attract and retain learners; our ability to increase sales of our Enterprise offering; risks related to our AI innovations and AI generally; our ability to compete effectively; regulatory matters impacting us or our partners; risks related to intellectual property; cybersecurity and privacy risks and regulations; potential disruptions to our platform; risks related to international operations, regulatory, economic, and geopolitical conditions, the resurgence of the COVID-19 pandemic or similar widespread health crises, and our status as a B Corp, as well as the risks and uncertainties discussed in our most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings 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.

Investment Highlights

21% revenue growth in Q3 and raised 20% growth outlook for full year 2023

Strong balance sheet allows us to invest in our long-term strategy

Global learning platform serving **136 million registered learners**

Efficient **low-cost acquisition** driven by branded content, freemium model, & learner base

Reinventing the **$2+ trillion higher education market** amidst increasing demand for online learning

Growth in **annual recurring revenues**

Unified platform delivers courses, certificates, & degrees from **300+ universities & industry partners**

Public Benefit Corporation founded on the belief that learning has the power to change the world

Coursera data, as of September 30, 2023.

Diversified model with three segments

Segment	How we generate revenue	Q3 2023	
		Revenue	Segment Margin [1]
CONSUMER	Learners can watch video lectures for free and can pay to earn course certificates upon completion. Individuals pay for **single courses or subscriptions** for multi-course offerings.	**$99.0M** +27% y/y	52% 48% content cost
ENTERPRISE	Institutions can access our catalog of learning products (excluding Degrees) and pay for **annual seat license subscriptions or enterprise license agreements.**	**$54.9M** +14% y/y	68% 32% content cost
DEGREES	Universities partner with us to develop and deliver online degrees programs and pay Coursera a **percentage fee** based on student tuition.	**$11.7M** +13% y/y	100% no content cost
TOTAL		**$165.5M** +21% y/y	

Contents

The future of learning

Higher education is being replatformed

The force of technology is transforming industry after industry, but higher education has seen relatively little innovation

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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 third-party prospectuses and reports, as of various dates.
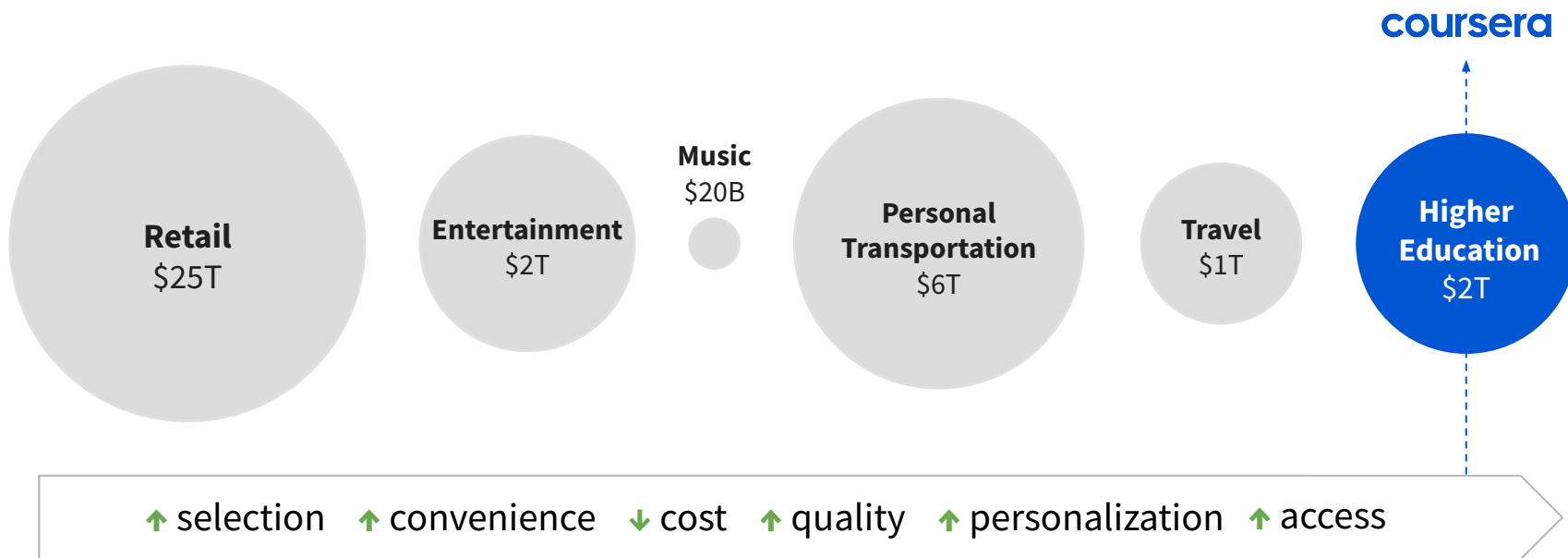
Low-skilled jobs are at **risk of automation**

AI has the potential to impact an entire new class of knowledge workers, unleashing a new wave of reskilling imperatives

Typical education level
- ■ No formal education
- ■ High school diploma
- ■ Postsecondary non-degree
- ■ College degree

Wages

Knowledge

Digital skills

Credentials

Generative AI

Risk of Automation

Least vulnerable

Most vulnerable

IT managers
Financial managers
Lawyers
General managers
Specialized coders
Post-secondary school teachers
Business ops specialists
Elementary teachers
Nurses
Retail supervisors
Cosmetologists
Customer service reps
Computer support specialists
Stock clerks
Personal care aids
Truck drivers
Freight movers
Retail Sales
Bookkeepers
Real Estate Brokers
Cashiers
Waiters

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

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Emerging jobs **require digital skills** and can be done remotely

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]
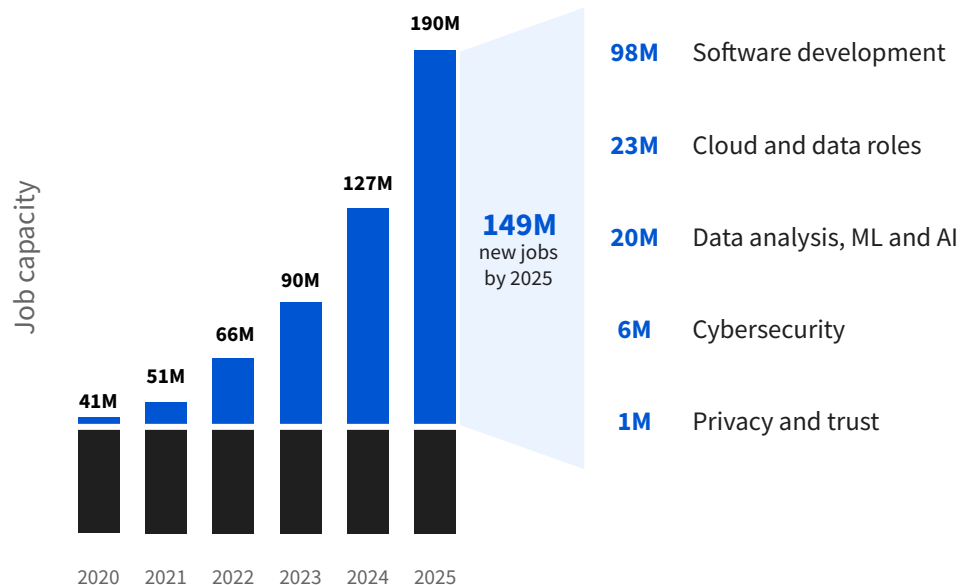
Job capacity

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

2020 2021 2022 2023 2024 2025

149M new jobs by 2025

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

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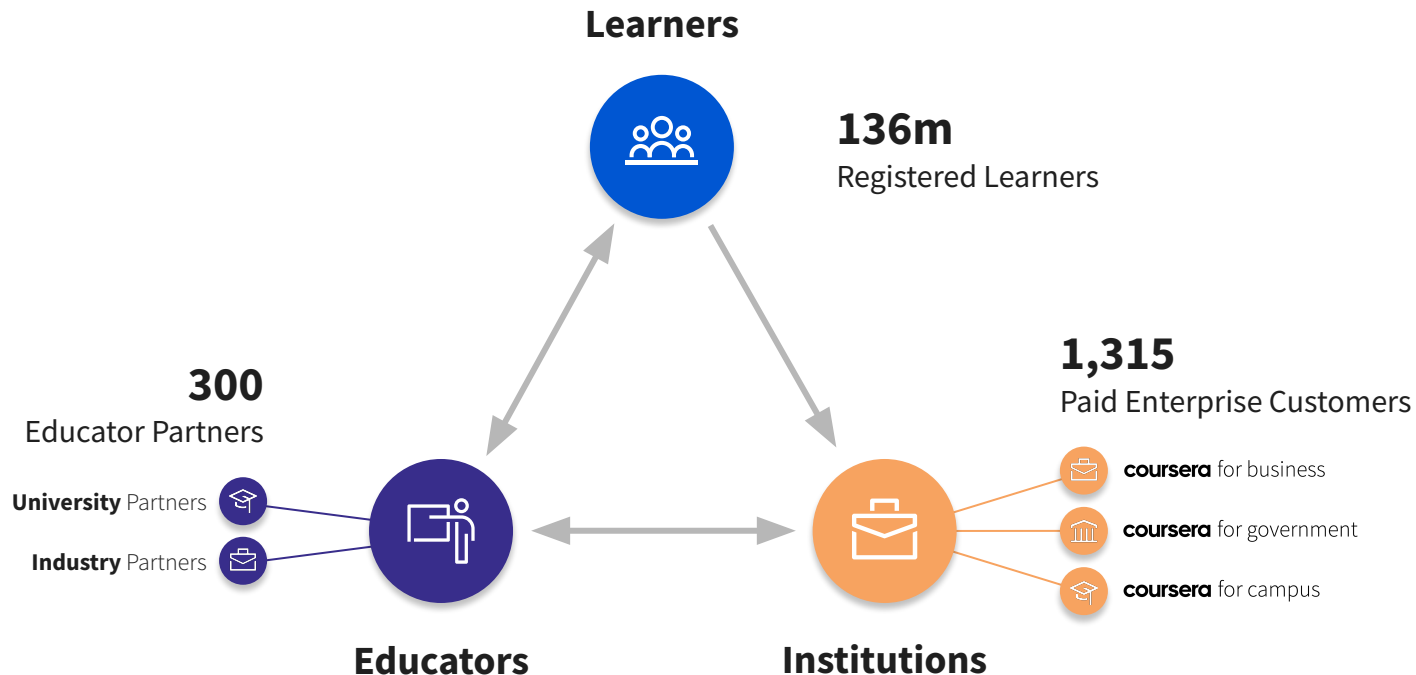The future of learning

Our global learning ecosystem
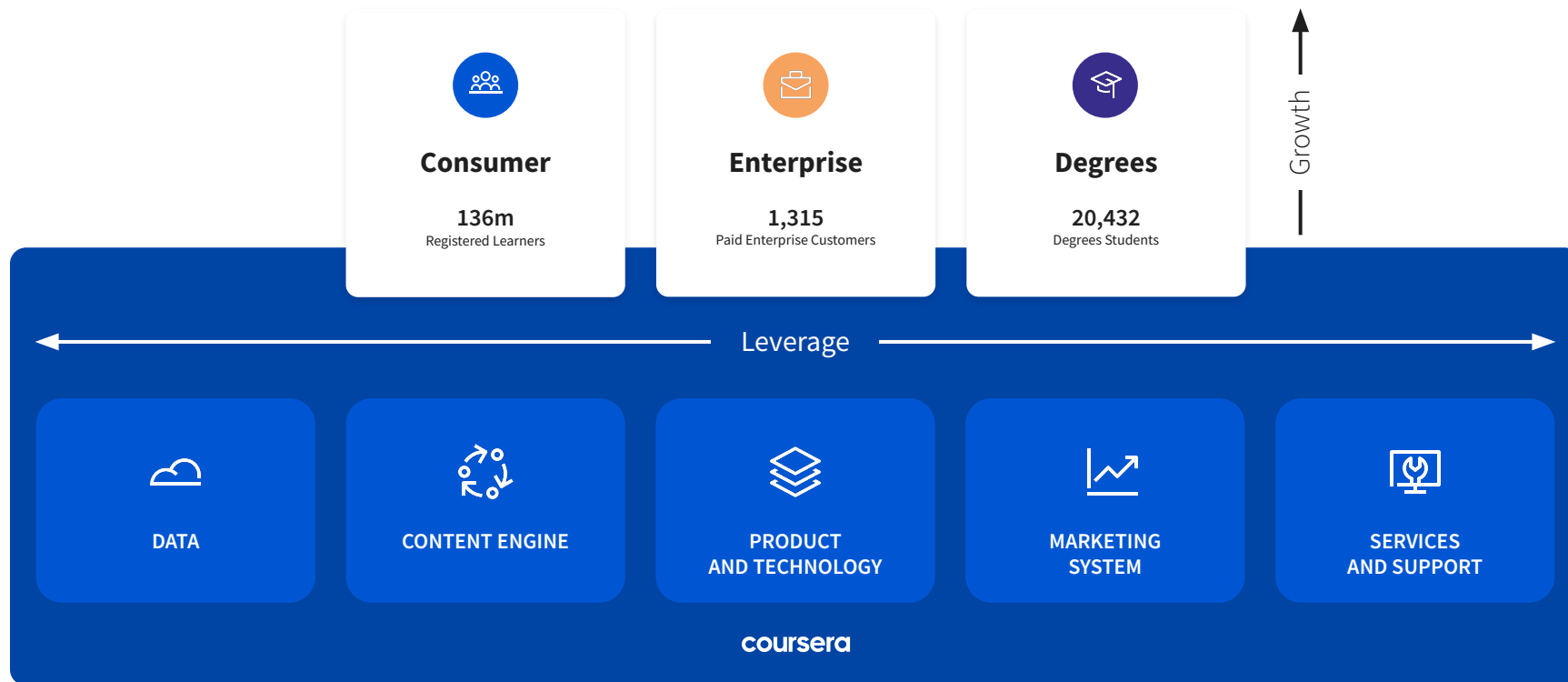
Financial results & outlook

Appendix

Coursera's **global learning ecosystem**

Our founding created a set of **differentiated assets** that position Coursera for the trends underway

Learners

136m
Registered Learners

1,315
Paid Enterprise Customers

coursera for business

coursera for government

coursera for campus

300
Educator Partners

University Partners

Industry Partners

Educators

Institutions

coursera

Segments are served by a **unified, scalable platform**

Investments benefit from **multiple channels of distribution and broad applications**

Growth

Consumer
136m
Registered Learners

Enterprise
1,315
Paid Enterprise Customers

Degrees
20,432
Degrees Students

Leverage

DATA

CONTENT ENGINE

PRODUCT
AND TECHNOLOGY

MARKETING
SYSTEM
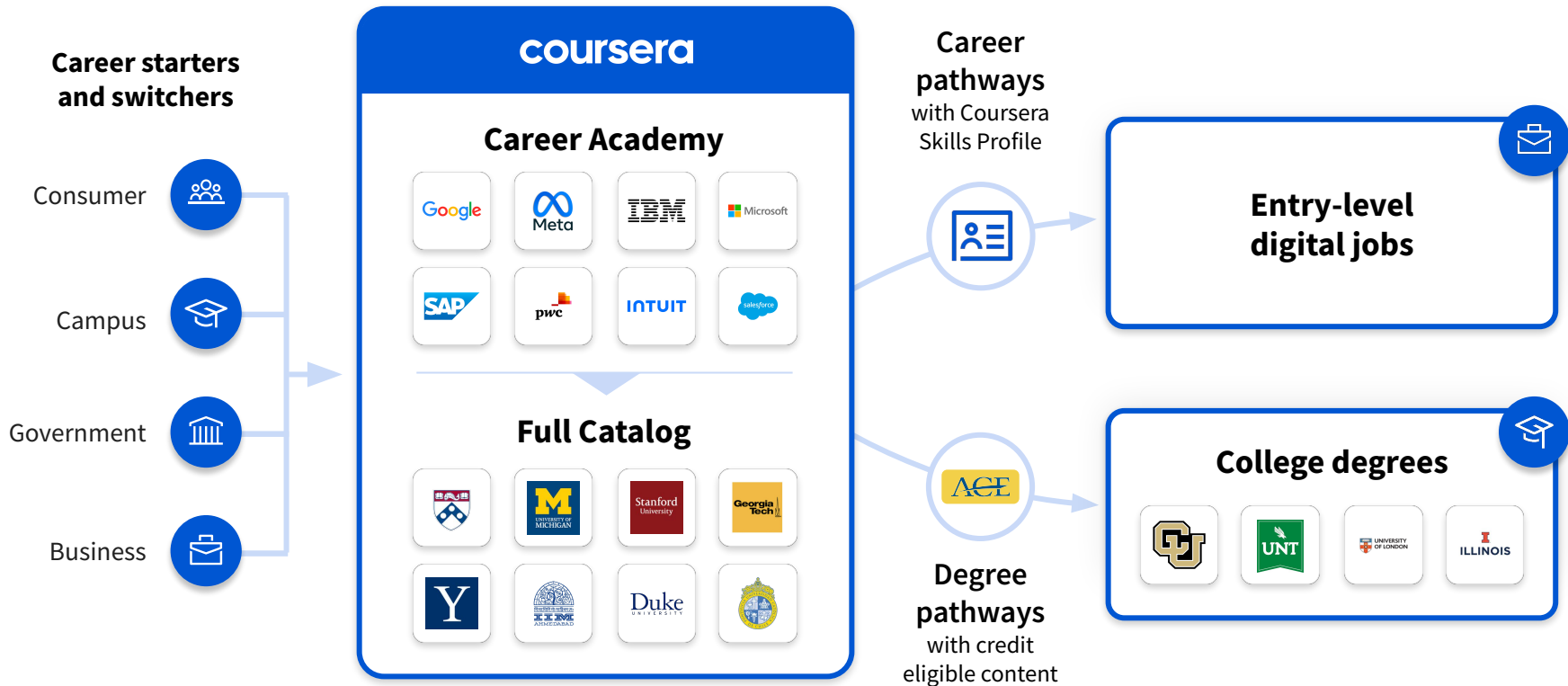
SERVICES
AND SUPPORT
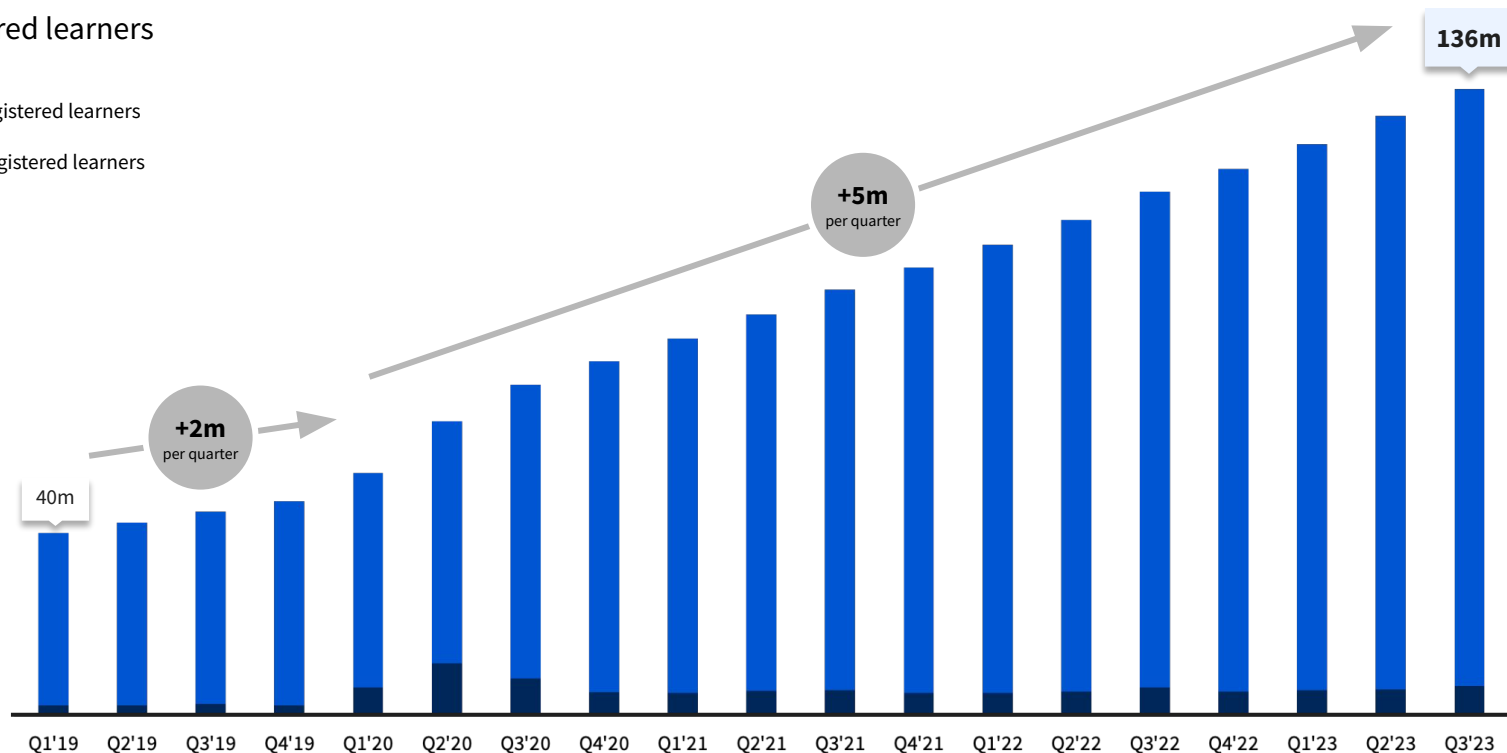
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World-class content & credentials in stackable formats

Our catalog was designed to **serve learners at every stage of their career**

200,000+ Clips		**Take a look** 5 - 10 mins
3,500+ Projects		**Learn a tool** < 2 hours
6,500+ Courses		**Explore a topic** 4 - 6 weeks
825+ Specializations		**Advance a skill** 3 - 6 months
130+ Certificates		**Get a job** 3 - 12 months
50+ Degrees		**Earn a degree** > 2 years
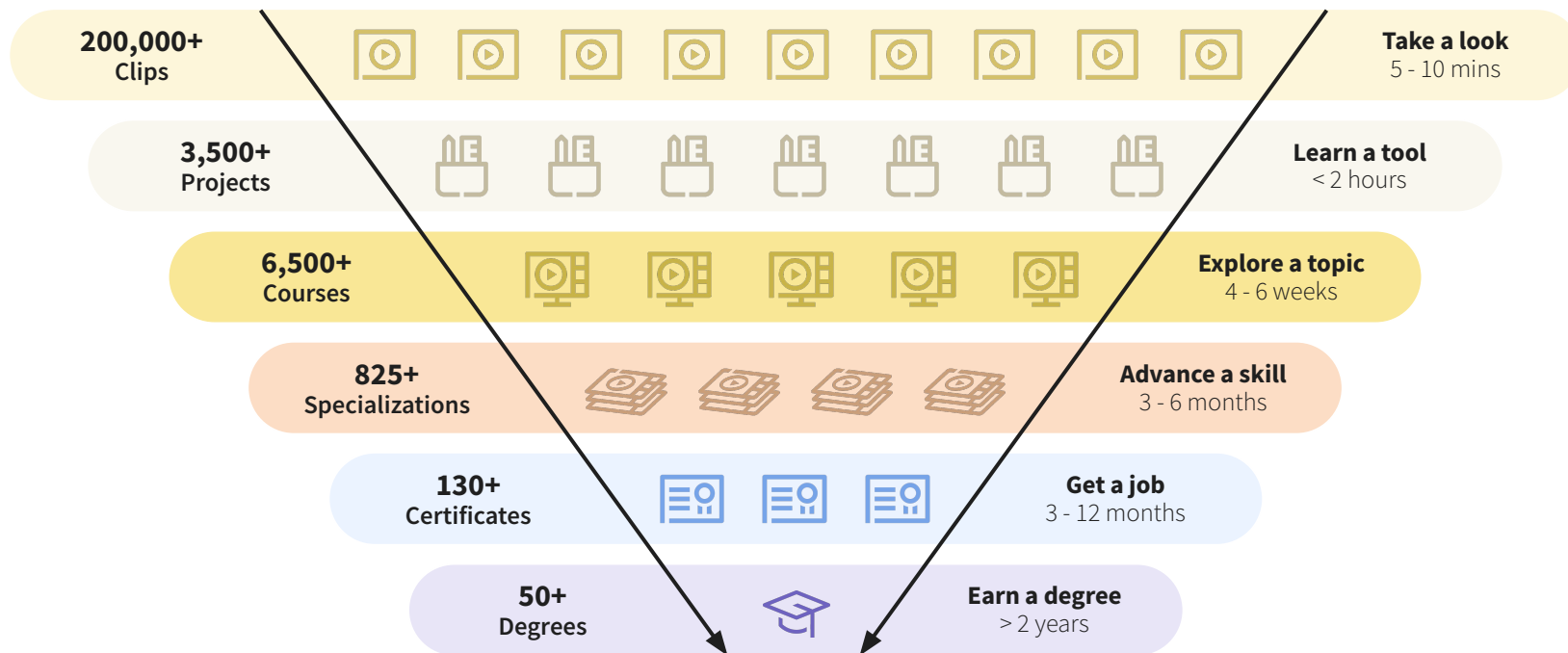
Source: Coursera data, as of the Q3 2023 earnings date. Content and credential figures exclude suspended partner content that is not currently discoverable or available on platform. The number of Degrees reflects master's, bachelor's, and postgraduate diploma programs with multiple tracks as a single count.

Open content creates **pathways to jobs and degrees**

Career starters and switchers

- Consumer
- Campus
- Government
- Business

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Career Academy

Google · Meta · IBM · Microsoft
SAP · pwc · INTUIT · salesforce

Full Catalog

Career pathways
with Coursera Skills Profile

Entry-level digital jobs

Degree pathways
with credit eligible content

College degrees

Rapid expansion of our **entry-level Professional Certificates**

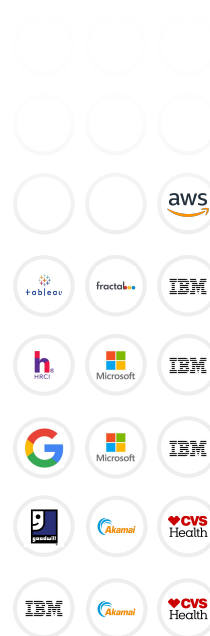**Strategic catalog asset** driving Consumer growth, expanding Career Academy, and creating pathways into degree programs
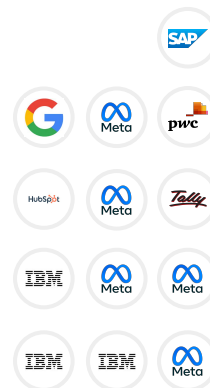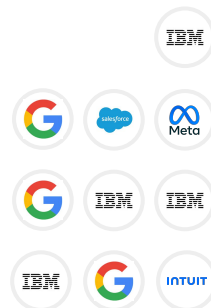
5 in production
announced to launch in coming months
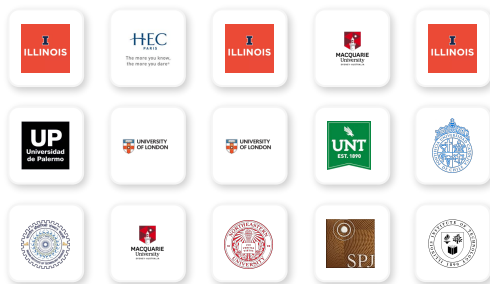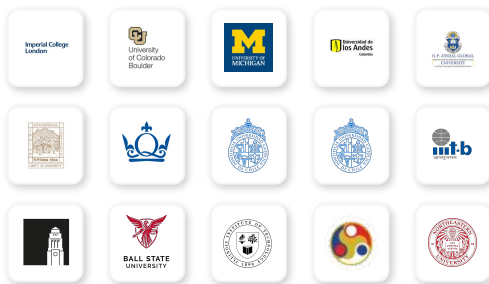
44 live
on platform today

2018	2019	2020	2021	2022	2023

Source: Coursera data as of the Q3 2023 earnings date. Year corresponds to date of prior launch or anticipated launch in 2023.

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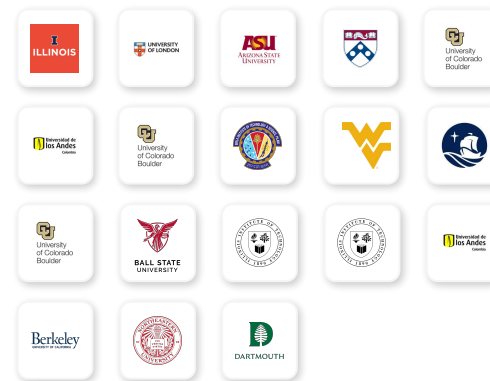# Ramping portfolio of **degree programs**

Business & Management

Data Science & Analytics

Computer Science & Engineering

Public Health

Social Science

Cybersecurity

Liberal Arts

54 announced degree programs | 42 master's degrees, 9 bachelor's degrees, 3 postgraduate diplomas | 28 international, 26 U.S.

Source: Coursera data, programs announced as of the Q3 2023 earnings date. Program figures exclude suspended partner content that is not currently discoverable or available on platform.
The number of Degrees reflects master's, bachelor's, and postgraduate diploma programs with multiple tracks as a single count.

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The future of learning

Our global learning ecosystem

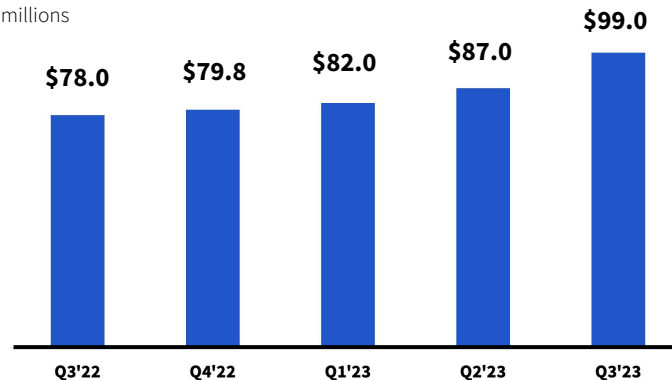## Financial results & outlook

Appendix

Consumer

$99.0M
+27% y/y

Strong demand for our catalog of entry-level Professional Certificates, including new launches from Google, IBM, and Microsoft

6.5 million new Registered Learners added during the quarter for a total base of **136 million**[1]

Revenue
millions

	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
	$78.0	$79.8	$82.0	$87.0	$99.0

Segment margin[2]
percentage of Consumer revenue
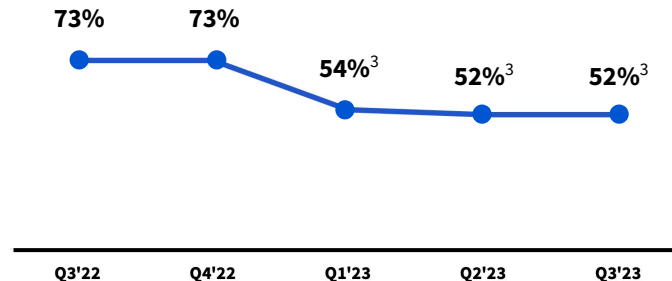
	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
	73%	73%	54%[3]	52%[3]	52%[3]

1 See Appendix slide "Key Business Metrics Definitions" for more information.
2 Defined as segment revenue less content costs in our audited financial statements.
3 Change reflects the previously announced contract extension with our largest industry partner.

Enterprise

$54.9M
+14% y/y

Growth in our business, government, and campus verticals

Total number of Paid Enterprise Customers increased **+21%** y/y to **1,315**[1]

Net Retention Rate (NRR) for Paid Enterprise Customers was **99%**[1]

Revenue
millions

Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
$48.0	$50.5	$52.2	$54.2	$54.9

Segment margin[2]
percentage of Enterprise revenue

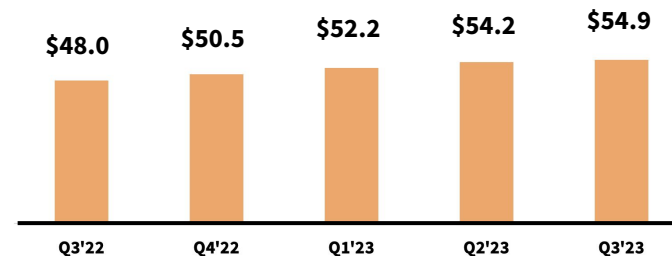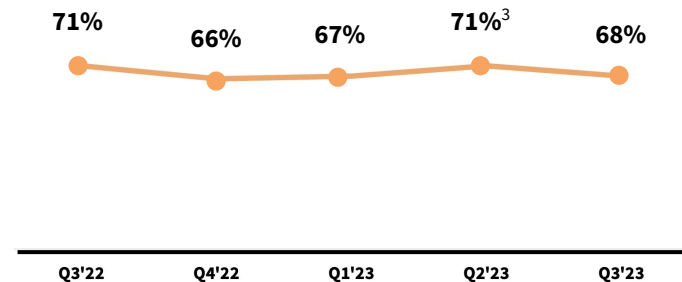| Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
71%	66%	67%	71%[3]	68%

1 See Appendix slide "Key Business Metrics Definitions" for more information.
2 Defined as segment revenue less content costs in our audited financial statements.
3 Included a one-time benefit of a contract amendment with one of our educator partners, which increased our Enterprise segment margin by 4 percentage points.

Degrees

$11.7M

+13% y/y

Growth in student enrollments and ramping of new program launches

Degrees Students reached **20,432**, up **+15%** y/y[1]

Revenue
millions

Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
$10.3	$11.9	$13.4	$12.5	$11.7
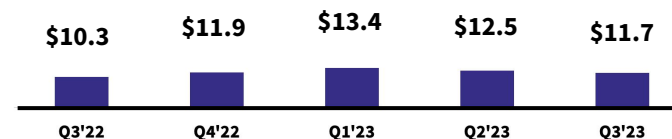
Segment margin[2]
percentage of Degrees revenue

Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
100%	100%	100%	100%	100%
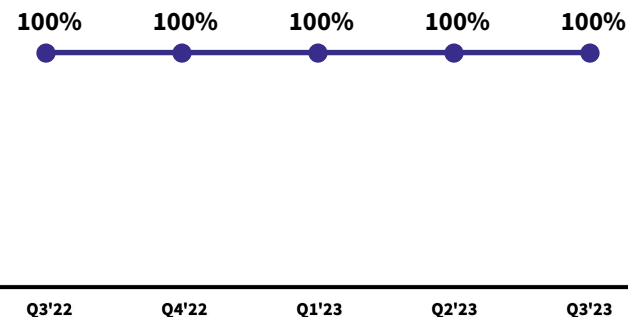
1 See Appendix slide "Key Business Metrics Definitions" for more information.
2 There is no content cost attributable to the Degrees segment as students pay tuition directly to the university, and the university pays us a fee.

Guidance

	Q4 2023	Full Year 2023
Revenue	**$161 - 165 million**	**$628 - 632 million**
Adjusted EBITDA[1]	**Breakeven**	**$(15.7) million**
Weighted Average Share Count - Basic	154 million	151 million
Weighted Average Share Count - Diluted	169 million	165 million

1 We define Adjusted EBITDA as our GAAP net loss excluding: (1) depreciation and amortization; (2) interest income; (3) other expense, net; (4) stock-based compensation expense; (5) restructuring related charges; (6) income tax expense; and (7) payroll tax expense related to stock-based compensation.
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.

Multiple growth levers

We believe **the transformation of higher education is just getting started**, with many opportunities to drive growth for Coursera in the years ahead

Enabling Enterprise
Optimize Enterprise sales organization across verticals to win new logos and expand existing relationships

Launching Degrees
Ramp the number of students in Degree programs and source new pathway programs designed for working adults

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

Localizing for Learners
Improve go-to-market effectiveness with configurable localization, especially in emerging markets
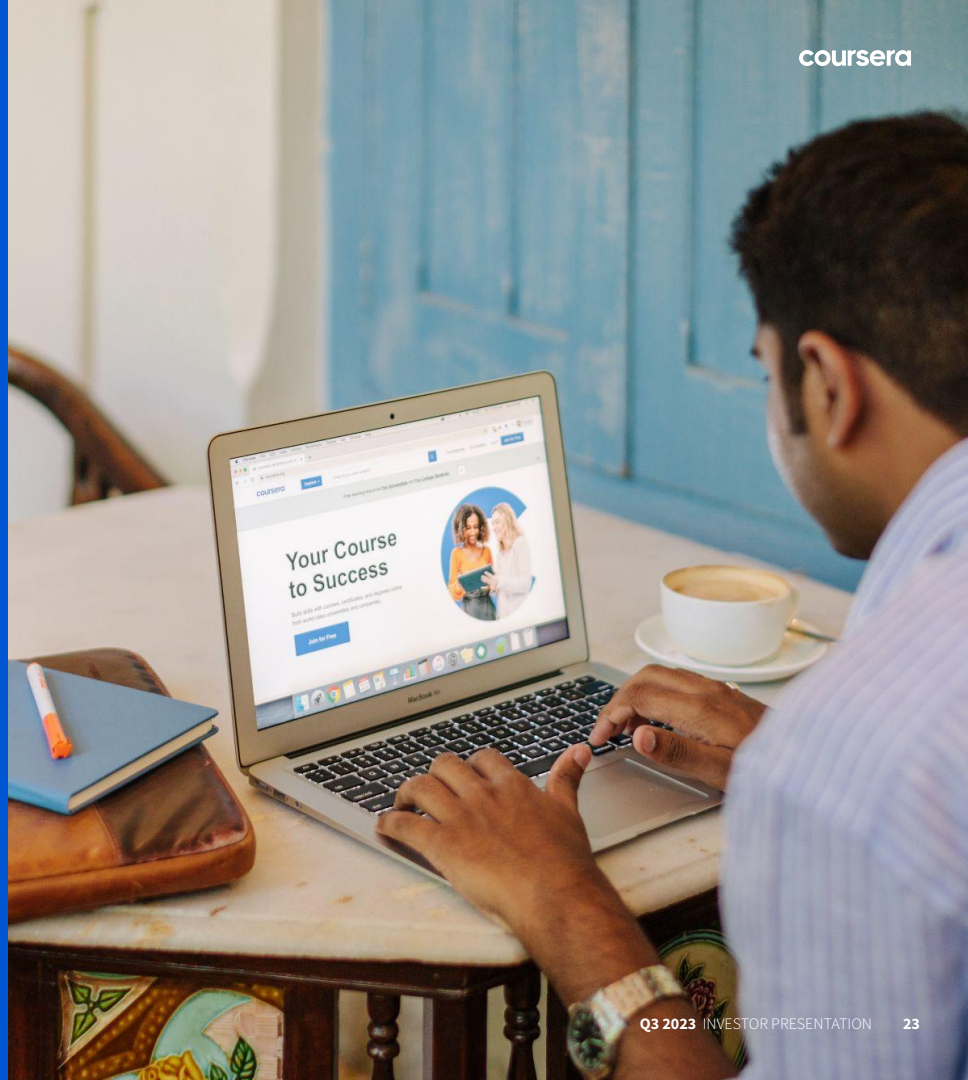
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Operating Segments

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
	(in thousands)							
Consumer								
Revenue	$	98,973	$	78,002	$	268,001	$	215,786
Cost of revenue	$	47,211	$	20,924	$	126,505	$	59,696
Segment gross profit [1]	$	51,762	$	57,078	$	141,496	$	156,090
Segment gross profit margin		52%		73%		53%		72%
Enterprise								
Revenue	$	54,887	$	48,044	$	161,240	$	130,794
Cost of revenue	$	17,788	$	14,051	$	50,495	$	37,735
Segment gross profit [1]	$	37,099	$	33,993	$	110,745	$	93,059
Segment gross profit margin		68%		71%		69%		71%
Degrees								
Revenue	$	11,680	$	10,343	$	37,643	$	34,996
Cost of revenue [2]	$	-	$	-	$	-	$	-
Segment gross profit [1]	$	11,680	$	10,343	$	37,643	$	34,996
Segment gross profit margin		100%		100%		100%		100%

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

Gross Profit

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
	(in thousands)							
Gross profit	$	83,273	$	87,568	$	240,442	$	243,604
Amortization of stock-based compensation capitalized as internal-use software costs		1,325		903		3,711		2,143
Stock-based compensation expense		239		683		2,030		2,072
Payroll tax expense related to stock-based compensation		24		3		100		16
Non-GAAP gross profit	$	84,861	$	89,157	$	246,283	$	247,835

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

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GAAP to Non-GAAP Reconciliation

Operating Expense

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023		**2022**		**2023**		**2022**	
				(in thousands)				
Operating expense - Research and development	$	37,616	$	39,415	$	122,711	$	122,299
Stock-based compensation expense		(11,595)		(11,675)		(38,363)		(34,037)
Payroll tax expense related to stock-based compensation		(295)		(82)		(1,479)		(498)
Non-GAAP operating expense - Research and development	$	25,726	$	27,658	$	82,869	$	87,764
Operating expense - Sales and marketing	$	59,792	$	58,504	$	164,665	$	165,757
Stock-based compensation expense		(7,479)		(7,630)		(23,335)		(21,952)
Payroll tax expense related to stock-based compensation		(173)		(26)		(724)		(195)
Non-GAAP operating expense - Sales and marketing	$	52,140	$	50,848	$	140,606	$	143,610
Operating expense - General and administrative	$	25,449	$	25,998	$	75,909	$	76,902
Stock-based compensation expense		(8,540)		(6,382)		(23,780)		(17,792)
Payroll tax expense related to stock-based compensation		(273)		(47)		(839)		(182)
Non-GAAP operating expense - General and administrative	$	16,636	$	19,569	$	51,290	$	58,928

GAAP to Non-GAAP Reconciliation

Net Loss

	Three Months Ended September 30,			Nine Months Ended September 30,			
	2023		**2022**		**2023**		**2022**
			(in thousands)				
Net loss	$	(32,090)	$	(36,038)	$	(96,197)	$	(123,640)
Amortization of stock-based compensation capitalized as internal-use software costs		1,325		903		3,711		2,143
Stock-based compensation expense		27,853		26,370		87,508		75,853
Restructuring related charges		-		-		(5,806)		-
Payroll tax expense related to stock-based compensation		765		158		3,142		891
Non-GAAP net loss	$	(2,147)	$	(8,607)	$	(7,642)	$	(44,753)

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

GAAP to Non-GAAP Reconciliation

Adjusted EBITDA

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
	2023	2022	2023	2022
	(in thousands)			
Net loss	$ (32,090)	$ (36,038)	$ (96,197)	$ (123,640)
Depreciation and amortization	5,660	4,886	16,502	13,507
Interest income	(8,857)	(2,301)	(25,134)	(3,473)
Other expense, net	325	976	231	2,574
Stock-based compensation expense	27,853	26,370	87,508	75,853
Restructuring related charges	-	-	(5,806)	-
Income tax expense	1,038	1,014	4,063	3,185
Payroll tax expense related to stock-based compensation	765	158	3,142	891
Adjusted EBITDA	$ (5,306)	$ (4,935)	$ (15,691)	$ (31,103)
Net loss margin	(19)%	(26)%	(21)%	(32)%
Adjusted EBITDA margin	(3)%	(4)%	(3)%	(8)%

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

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GAAP to Non-GAAP Reconciliation

Free Cash Flow

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023		**2022**		**2023**		**2022**	
				(in thousands)				
Net cash provided by (used in) operating activities	$	19,750	$	4,791	$	18,071	$	(32,609)
Less: purchases of property, equipment and software		(305)		(669)		(1,026)		(1,386)
Less: capitalized internal-use software costs		(3,859)		(2,816)		(11,463)		(10,082)
Free Cash Flow	$	15,586	$	1,306	$	5,582	$	(44,077)

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 12 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 ("Current Period ARR"). Current Period ARR includes expansion within Paid Enterprise Customers and is net of contraction or attrition over the trailing 12 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.