

Coursera Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(In thousands, except shares and per share data)

	Three Months Ended March 31,	
	2023	2022
Revenue	\$ 147,642	\$ 120,433
Cost of revenue ⁽¹⁾	70,174	42,803
Gross profit	77,468	77,630
Operating expenses:		
Research and development ⁽¹⁾	43,809	37,955
Sales and marketing ⁽¹⁾	52,872	51,667
General and administrative ⁽¹⁾	25,523	25,178
Restructuring charges ⁽¹⁾	(5,659)	—
Total operating expenses	116,545	114,800
Loss from operations	(39,077)	(37,170)
Other income (expense):		
Interest income	8,037	335
Other income (expense), net	102	(425)
Loss before income taxes	(30,938)	(37,260)
Income tax expense	1,426	1,008
Net loss	\$ (32,364)	\$ (38,268)
Net loss per share—basic and diluted	\$ (0.22)	\$ (0.27)
Weighted average shares used in computing net loss per share—basic and diluted	148,974,454	143,026,907

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

	Three Months Ended March 31,	
	2023	2022
Cost of revenue	\$ 877	\$ 577
Research and development	13,465	9,743
Sales and marketing	8,357	6,274
General and administrative	7,631	5,384
Restructuring charges	(5,588)	—
Total stock-based compensation expense	\$ 24,742	\$ 21,978

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

	March 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 267,774	\$ 320,817
Marketable securities	511,684	459,654
Accounts receivable, net	68,199	53,734
Deferred costs, net	23,976	24,147
Prepaid expenses and other current assets	17,340	17,636
Total current assets	888,973	875,988
Property, equipment, and software, net	26,809	27,096
Operating lease right-of-use assets	8,409	9,605
Intangible assets, net	8,470	8,553
Other assets	31,394	26,355
Total assets	\$ 964,055	\$ 947,597
Liabilities and Stockholders' Equity		
Current liabilities:		
Educator partners payable	\$ 93,233	\$ 66,375
Other accounts payable and accrued expenses	15,969	23,342
Accrued compensation and benefits	17,238	21,163
Operating lease liabilities, current	7,865	8,658
Deferred revenue, current	130,902	115,701
Other current liabilities	8,636	7,202
Total current liabilities	273,843	242,441
Operating lease liabilities, non-current	4,208	5,791
Deferred revenue, non-current	3,259	3,076
Other liabilities	1,730	1,714
Total liabilities	283,040	253,022
Stockholders' equity:		
Common stock	1	1
Additional paid-in capital	1,382,487	1,364,116
Treasury stock—at cost	(4,701)	(4,701)
Accumulated other comprehensive loss	(285)	(718)
Accumulated deficit	(696,487)	(664,123)
Total stockholders' equity	681,015	694,575
Total liabilities and stockholders' equity	\$ 964,055	\$ 947,597

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

	Three Months Ended March 31,	
	2023	2022
Cash flows from operating activities:		
Net loss	\$ (32,364)	\$ (38,268)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	5,511	4,182
Stock-based compensation expense	24,742	21,978
Amortization or accretion of marketable securities	(5,016)	510
Impairment of long-lived assets	535	1,886
Other	96	233
Changes in operating assets and liabilities:		
Accounts receivable, net	(14,585)	(19,997)
Prepaid expenses and other assets	(5,396)	(11,467)
Operating lease right-of-use assets	1,197	1,271
Accounts payable and accrued expenses	19,440	(6,670)
Accrued compensation and other liabilities	(2,476)	(1,815)
Operating lease liabilities	(2,376)	(1,557)
Deferred revenue	15,384	11,457
Net cash provided by (used in) operating activities	4,692	(38,257)
Cash flows from investing activities:		
Purchases of marketable securities	(121,756)	(180,552)
Proceeds from maturities of marketable securities	75,000	—
Purchases of property, equipment, and software	(298)	(400)
Capitalized internal-use software costs	(2,862)	(3,544)
Purchases of content assets	(624)	(617)
Net cash used in investing activities	(50,540)	(185,113)
Cash flows from financing activities:		
Proceeds from exercise of stock options	5,354	6,947
Payment of deferred offering costs	—	(295)
Payment of tax withholding on vesting of restricted stock units	(13,036)	(2,625)
Net cash (used in) provided by financing activities	(7,682)	4,027
Net decrease in cash, cash equivalents, and restricted cash	(53,530)	(219,343)
Cash, cash equivalents, and restricted cash—Beginning of period	322,878	582,719
Cash, cash equivalents, and restricted cash—End of period	\$ 269,348	\$ 363,376
Reconciliation of cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	\$ 267,774	\$ 361,315
Restricted cash, non-current	1,574	2,061
Total cash, cash equivalents, and restricted cash	\$ 269,348	\$ 363,376

Coursera Inc.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES (Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2023	2022
Gross profit	\$ 77,468	\$ 77,630
Amortization of stock-based compensation expense capitalized as internal-use software costs	1,169	555
Stock-based compensation expense	877	577
Payroll tax expense related to stock-based compensation	50	10
Non-GAAP gross profit	\$ 79,564	\$ 78,772

	Three Months Ended March 31,	
	2023	2022
Net loss	\$ (32,364)	\$ (38,268)
Amortization of stock-based compensation expense capitalized as internal-use software costs	1,169	555
Stock-based compensation expense	30,330	21,978
Restructuring charges	(5,659)	—
Payroll tax expense related to stock-based compensation	1,363	465
Non-GAAP net loss	\$ (5,161)	\$ (15,270)

	Three Months Ended March 31,	
	2023	2022
Net loss	\$ (32,364)	\$ (38,268)
Depreciation and amortization	5,511	4,182
Interest income	(8,037)	(335)
Other (income) expense, net	(102)	425
Stock-based compensation expense	30,330	21,978
Restructuring charges	(5,659)	—
Income tax expense	1,426	1,008
Payroll tax expense related to stock-based compensation	1,363	465
Adjusted EBITDA	\$ (7,532)	\$ (10,545)
Net loss margin	(22)%	(32)%
Adjusted EBITDA Margin	(5)%	(9)%

	Three Months Ended March 31,	
	2023	2022
Net cash provided by (used in) operating activities ⁽²⁾	\$ 4,692	\$ (38,257)
Less: purchases of property, equipment, and software	(298)	(400)
Less: capitalized internal-use software costs	(2,862)	(3,544)
Free Cash Flow	\$ 1,532	\$ (42,201)

(2) Includes cash payments of \$4.8 million, related to restructuring charges, made during the three months ended March 31, 2023.