Investor Presentation

Q4 2024

January 30, 2025

Disclaimer

Non-GAAP Financial Measures

In addition to financial information presented in accordance with GAAP, this presentation includes non-GAAP gross profit, non-GAAP net income, non-GAAP net income per share, 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: financial and operating leverage in our model; investing to bolster return to higher growth; our mission to provide universal access to world-class learning; the demand for online learning; anticipated features and benefits of our customer and educator partner relationships and our content and platform offerings; the anticipated utility of our non-GAAP financial measures; anticipated growth rates; our leadership transition; and our financial outlook, future financial and operational 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 attract, engage, and retain learners; our ability to increase sales of our offerings; our limited operating history; the relative nascency of online learning solutions and generative AI; risks related to market acceptance and demand for our offerings; our ability to maintain and expand our existing educator partner relationships and to develop new partnerships; our dependence on our educator partners' content; risks related to our AI innovations and AI generally; our ability to compete effectively; adverse impacts on our business and financial condition due to macroeconomic or market conditions; our ability to manage our growth; regulatory and/or policy matters or changes impacting us or our educator partners; risks related to intellectual property; cybersecurity and privacy risks and regulations; potential disruptions to our platform; risks related to operations, regulatory, economic, and geopolitical conditions; current and future legal proceedings; the impact of actions to improve operational efficiencies and operating costs; our history of net losses and ability to achieve or sustain profitability; natural disasters, public health crises or other catastrophic events; our status as a certified B Corp; and risks and uncertainties discussed in our most recently filed periodic reports on Forms 10-K and 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

coursera

Full year 2024 revenue of $695M driven by complementary segments and shared advantages

Expanded **Adjusted EBITDA Margin to 6.0%** for full year 2024

Global learning platform serving **168 million registered learners**

Strong balance sheet bolstered by **$59M of Free Cash Flow** generated in full year 2024

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

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

Unified platform delivers courses, certificates, & degrees from **350+ universities & industry partners**

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

Diversified model with three segments

Segment	How we generate revenue	Q4 2024		Full year 2024	
		Revenue	Segment Margin [1]	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.	**$101.7M** +5% y/y	**54%** 46% content cost	**$398.1M** +9% y/y	**54%** 46% content cost
ENTERPRISE	Institutions can access our catalog of learning products (excluding Degrees) and pay for **annual seat license subscriptions or enterprise license agreements.**	**$62.3M** +7% y/y	**68%** 32% content cost	**$238.9M** +9% y/y	**69%** 31% content cost
DEGREES	Universities partner with us to develop and deliver online degrees programs and pay Coursera a **percentage fee** based on student tuition.	**$15.2M** +14% y/y	**100%** no content cost	**$57.7M** +13% y/y	**100%** no content cost
TOTAL		**$179.2M** +6% y/y		**$694.7M** +9% y/y	

Source: Coursera data as of December 31, 2024. Numbers are rounded for presentation purposes.
1 Defined as segment revenue less content costs in our audited financial statements There is no content cost attributable to the Degrees segment.

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The future of learning

Our global learning ecosystem

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coursera
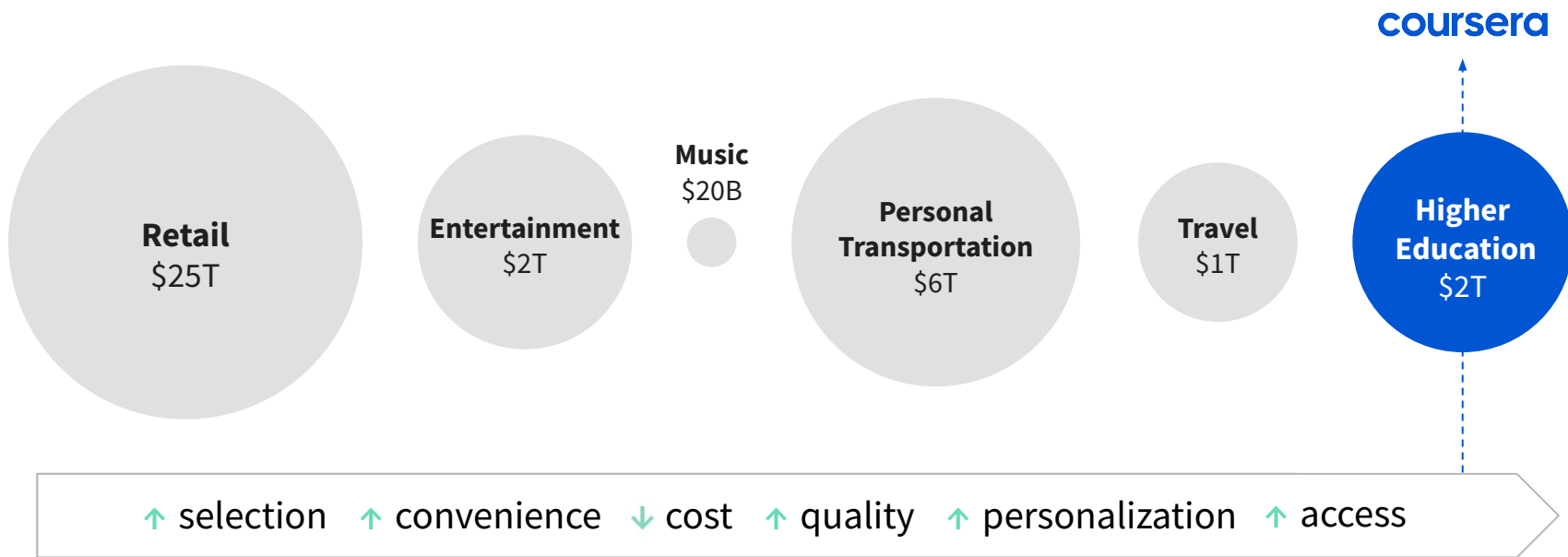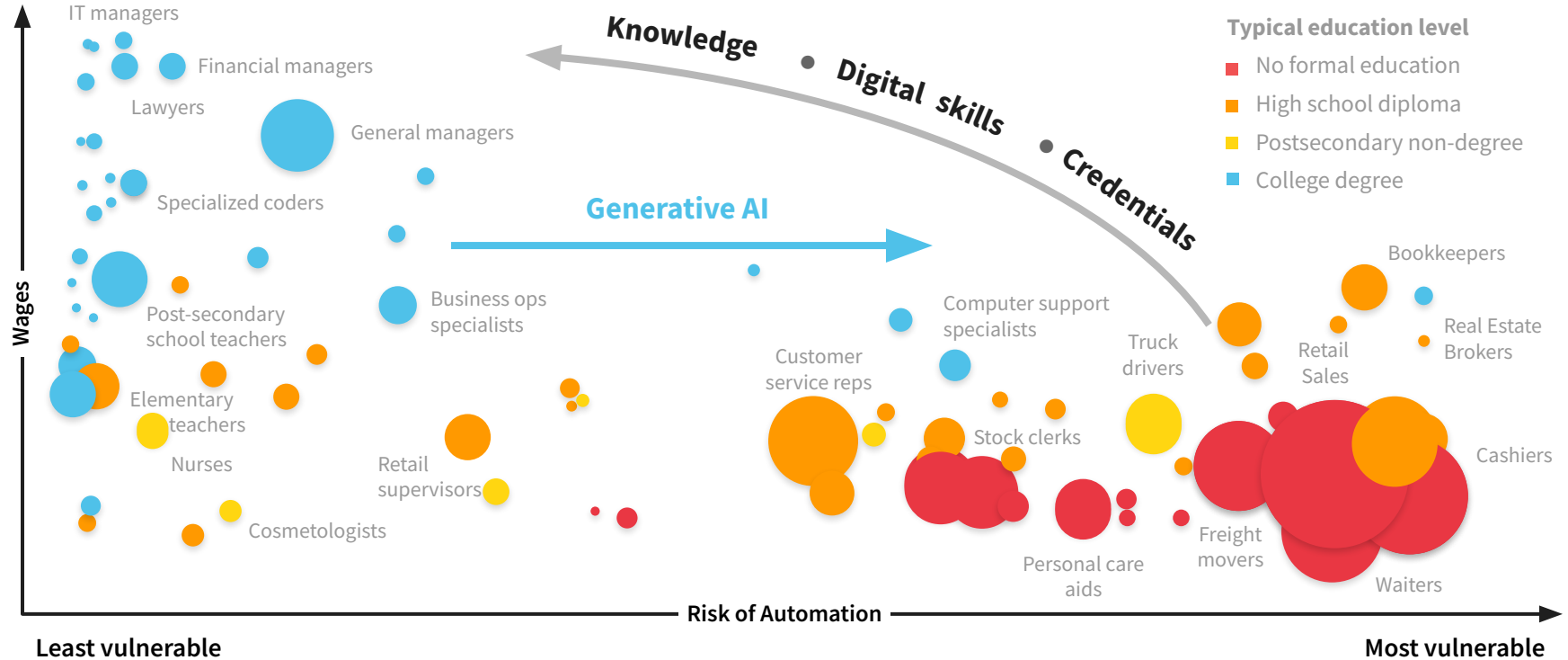
Higher education is being replatformed

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

coursera

Retail
$25T

Entertainment
$2T

Music
$20B

Personal Transportation
$6T

Travel
$1T

Higher Education
$2T

↑ selection   ↑ convenience   ↓ cost   ↑ quality   ↑ personalization   ↑ access

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

Knowledge

Digital skills

Credentials

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

Generative AI

IT managers

Financial managers

Lawyers

General managers

Specialized coders

Bookkeepers

Post-secondary school teachers

Business ops specialists

Computer support specialists

Truck drivers

Retail Sales

Real Estate Brokers

Customer service reps

Elementary teachers

Stock clerks

Cashiers

Nurses

Retail supervisors

Cosmetologists

Personal care aids

Freight movers

Waiters

Wages

Risk of Automation

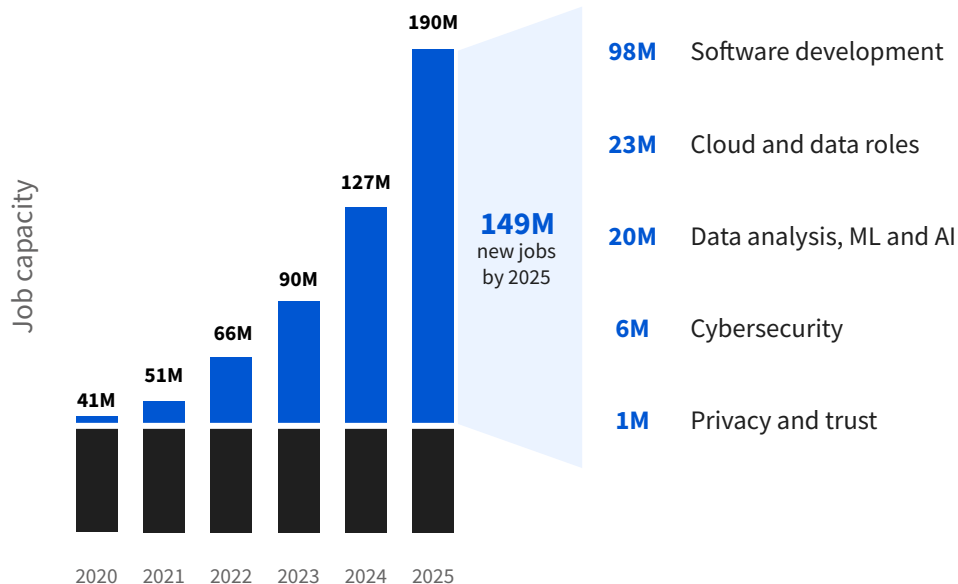**Least vulnerable**

Most vulnerable

Emerging jobs require digital skills that can be learned online

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

1	Big Data Specialists
2	FinTech Engineers
3	AI / ML Learning Specialists
4	Software / Applications Developers
5	Security Management Specialists
6	Data Warehousing Specialists
7	Autonomous / EV Specialists
8	UI / UX Designers
9	Light Truck / Delivery Services Drivers
10	Internet of Things Specialists

Digital job capacity from 2020-2025 [2]

Job capacity

41M — 2020
51M — 2021
66M — 2022
90M — 2023
127M — 2024
190M — 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

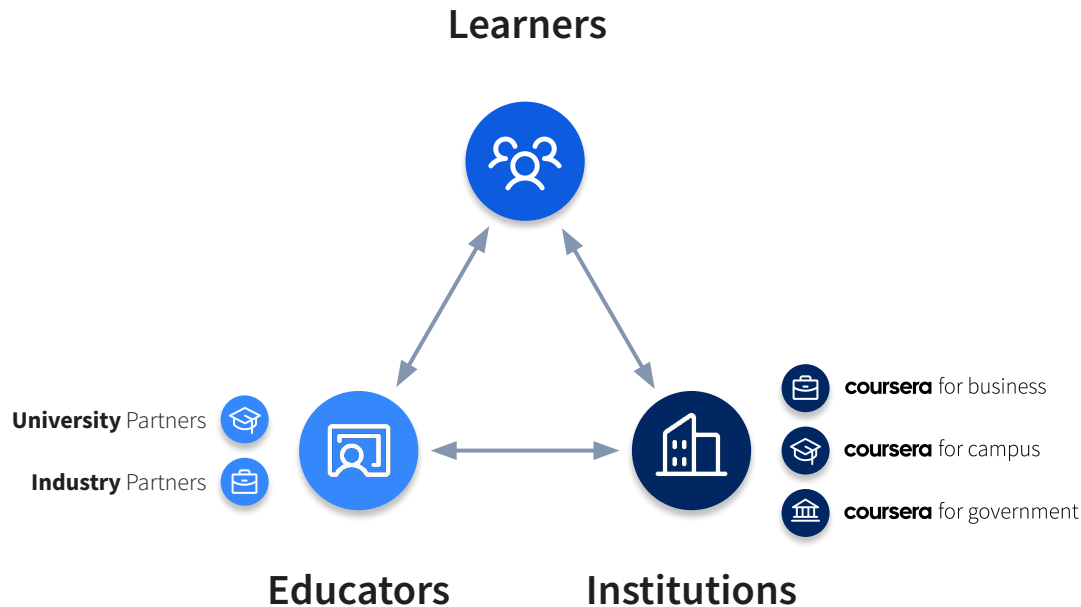## Our global learning ecosystem

Financial results & outlook

Appendix

Coursera's lifelong learning ecosystem

Learners

University Partners
Industry Partners

Educators

Institutions

coursera for business
coursera for campus
coursera for government

Registered Learners

168M+

↑ Welcomed 6M+ new learners in Q4'24

Educator Partners
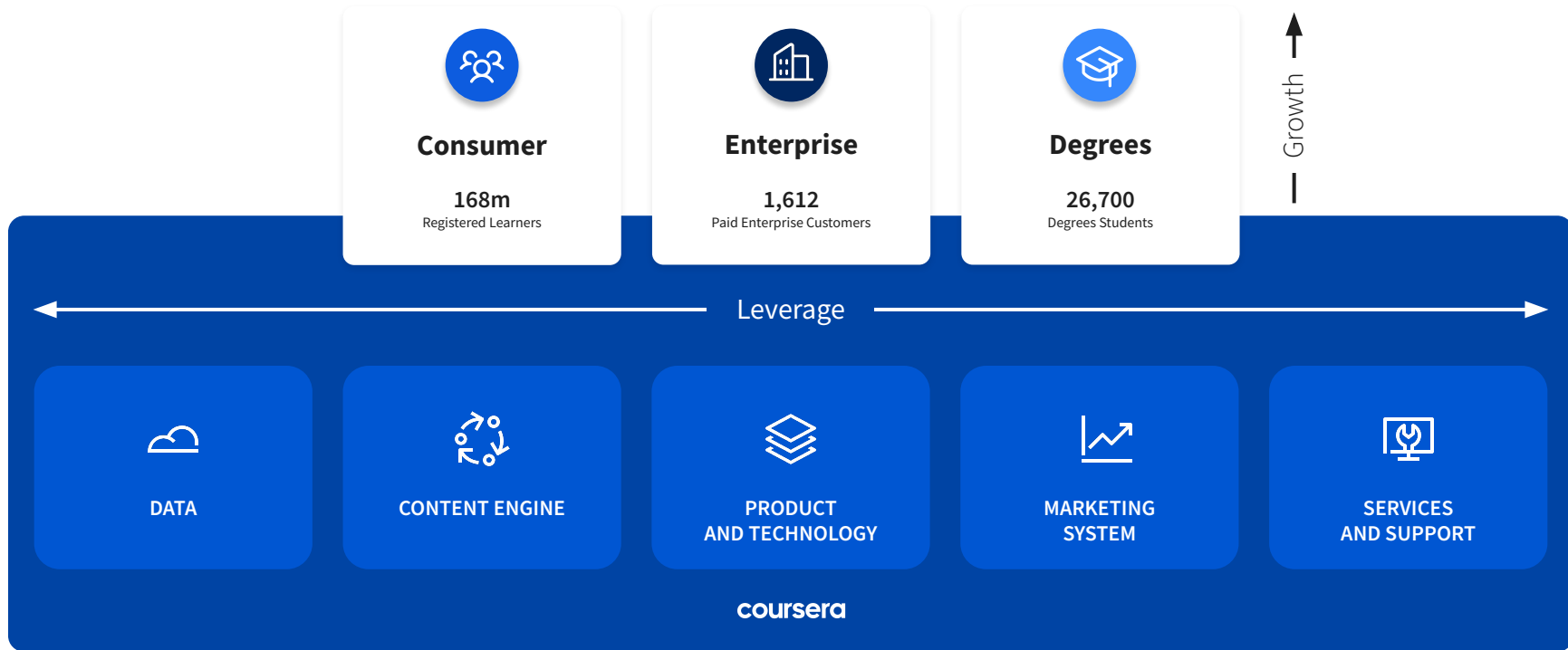
350+

↑ Added 25+ new partners over the last year

Paid Enterprise Customers

1,600+

↑ Grew our customers by 18% Y/Y in Q4'24

coursera

Segments are served by a unified, scalable platform

Investments benefit from multiple channels of distribution and broad applications

Consumer

168m
Registered Learners

Enterprise

1,612
Paid Enterprise Customers

Degrees

26,700
Degrees Students

Growth

Leverage

DATA

CONTENT ENGINE

PRODUCT
AND TECHNOLOGY

MARKETING
SYSTEM

SERVICES
AND SUPPORT

coursera

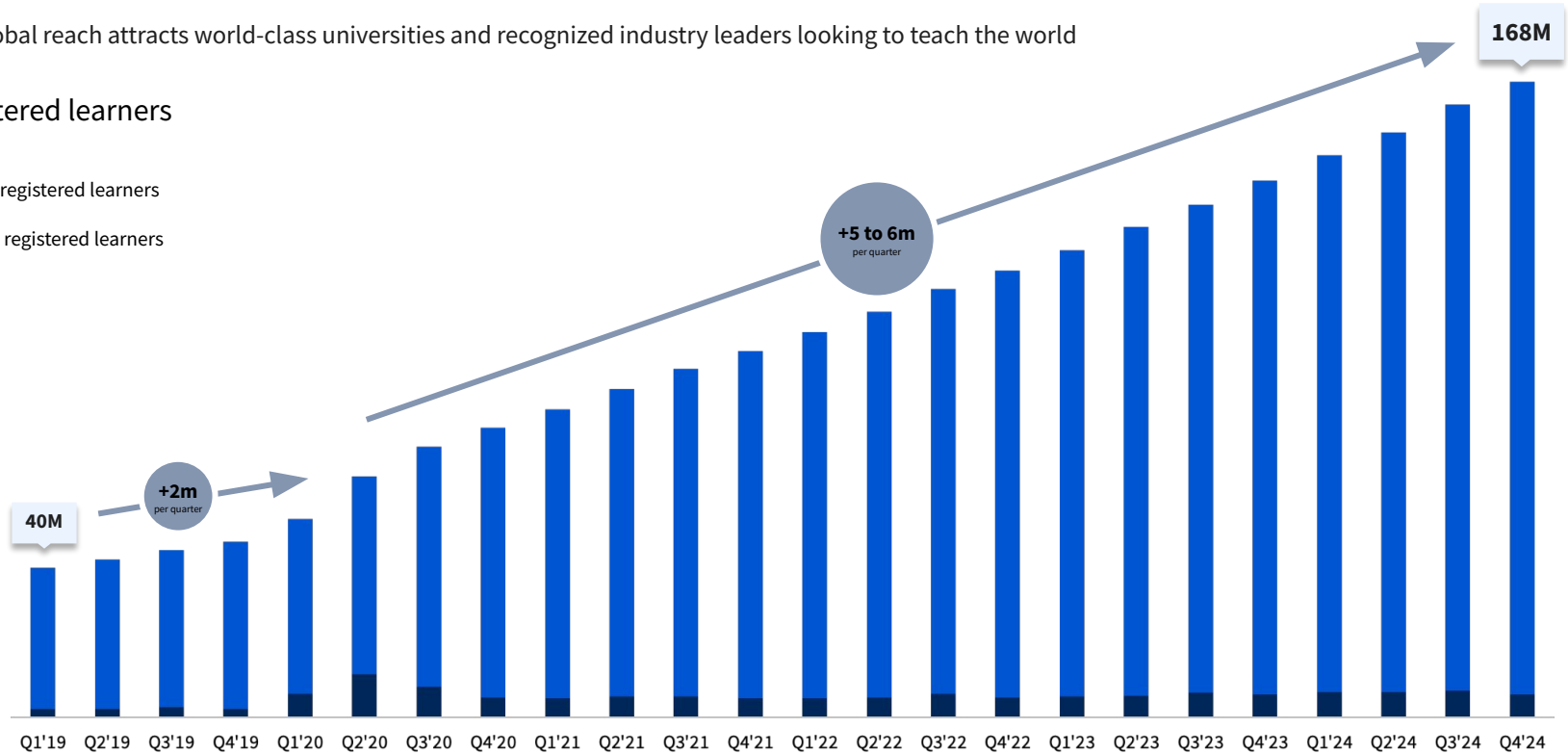# Robust top-of-funnel fuels our competitive advantages

Our global reach attracts world-class universities and recognized industry leaders looking to teach the world

Registered learners
millions

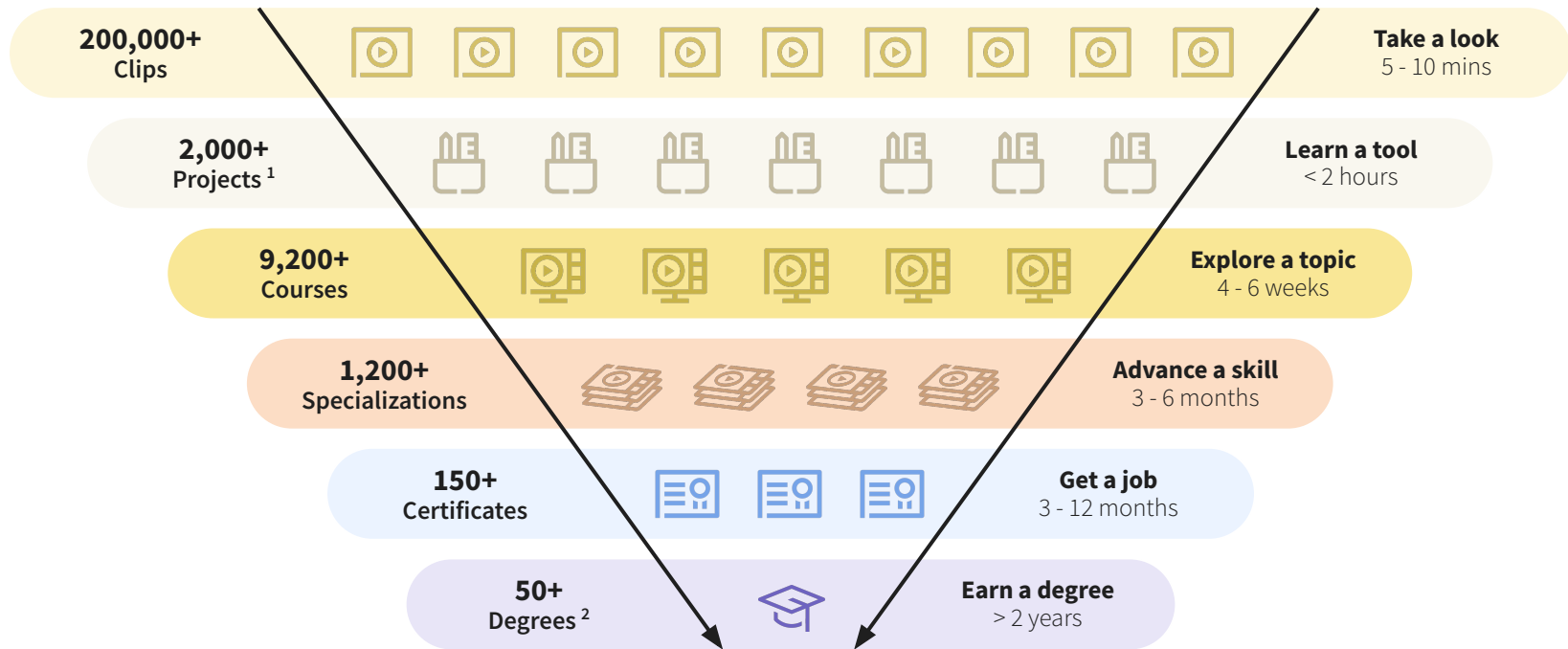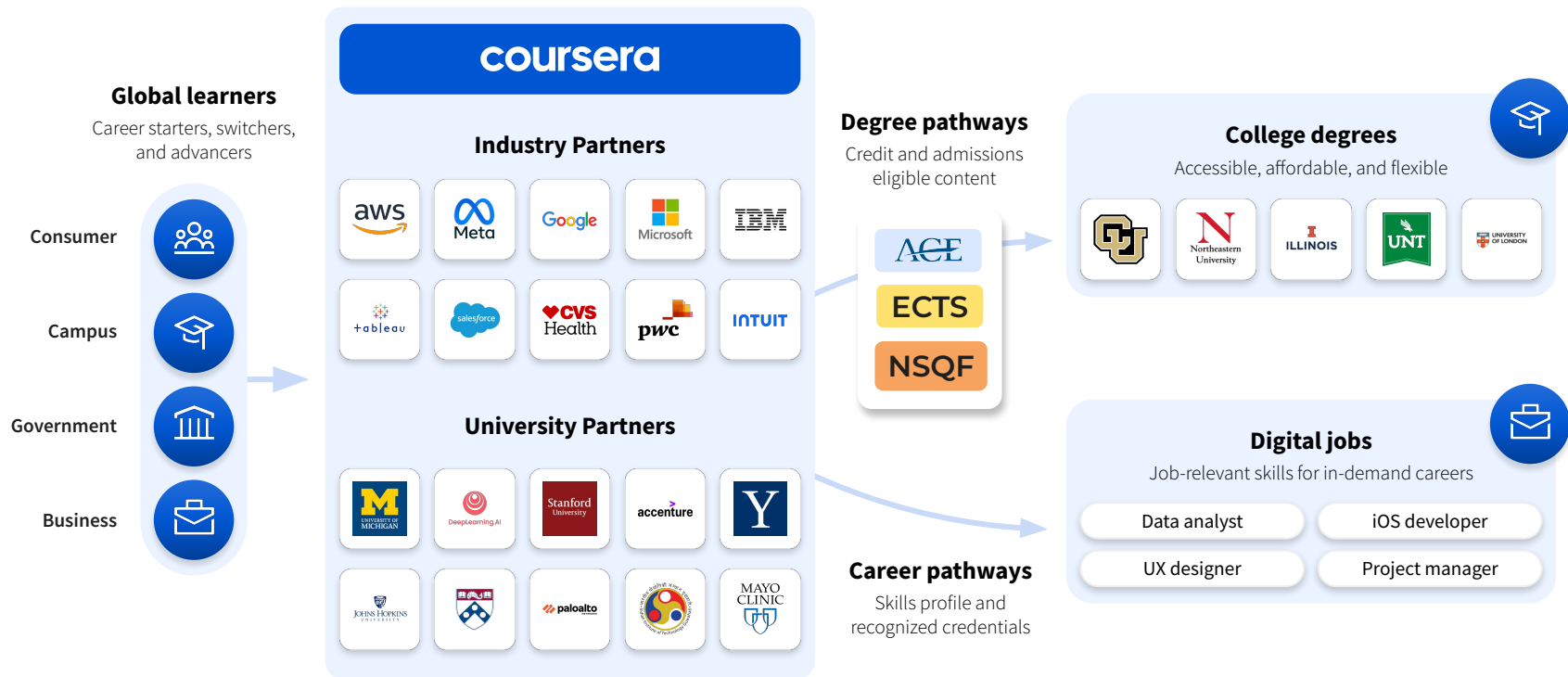- New registered learners
- Total registered learners

40M

+2m
per quarter

+5 to 6m
per quarter

168M

Q1'19 Q2'19 Q3'19 Q4'19 Q1'20 Q2'20 Q3'20 Q4'20 Q1'21 Q2'21 Q3'21 Q4'21 Q1'22 Q2'22 Q3'22 Q4'22 Q1'23 Q2'23 Q3'23 Q4'23 Q1'24 Q2'24 Q3'24 Q4'24

coursera

World-class content and 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
2,000+ Projects [1]		**Learn a tool** < 2 hours
9,200+ Courses		**Explore a topic** 4 - 6 weeks
1,200+ Specializations		**Advance a skill** 3 - 6 months
150+ Certificates		**Get a job** 3 - 12 months
50+ Degrees [2]		**Earn a degree** > 2 years

Source: Coursera data, as of the Q4 2024 earnings date. Content and credential figures exclude suspended partner content that is not currently discoverable or available on platform.
1 Recent quarterly fluctuations in count reflects deprecation of redundant technology stack as all Projects migrate to a unified standard for hands-on learning.
2 The number of Degrees reflects master's, bachelor's, and postgraduate diploma programs with multiple tracks as a single count.

High-quality content creates pathways to degrees and jobs

Transforming Coursera with generative AI

Our partners, data, and global scale provide unique opportunities to address individual and institutional demand for emerging skills

Skills development
delivered through world-class brands and trusted credentials

Product innovation
empowers our ecosystem of learners, educators, and institutions

GenAI Academy

Develop critical skills required to perform and keep pace in a **current job**

Upskilling

- DeepLearning.AI GenAI for Everyone
- Stanford AI in Healthcare
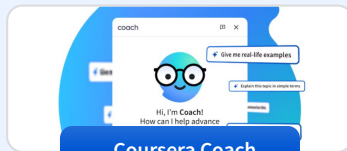- Google AI Essentials
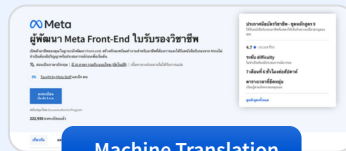- Vanderbilt Prompt Engineering
- Microsoft Copilot for Power BI

Advancing personalized tutoring
and career guidance anchored in expert, trusted content

Coursera Coach

Broadening equal access
to quality content through translations in up to 24 languages

Machine Translation

Career Academy

Gain the skills and credentials needed to start or switch into a **new job**

Reskilling

- Google Data Analytics
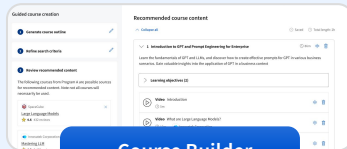- IBM Data Science
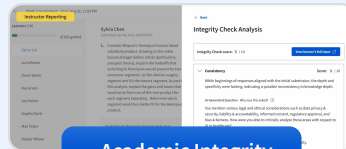- Meta Marketing Analytics
- Microsoft Cybersecurity
- Salesforce Sales Operations

Customizing course creation
to tailor public catalog with private, organization-specific context

Course Builder

Scaling verified learning
with proctoring and assessments that are customized and adaptive

Academic Integrity

Rapidly expanding our entry-level Professional Certificates

Strategic catalog asset driving Consumer growth, expanding Career Academy, and creating pathways into degree programs

- **85+** certificates
- **45+** job roles
- **25+** industry partners
- **20+** languages supported
- **15+** ACE© credit recommendations

Timeline: 2018, 2019, 2020, 2021, 2022, 2023, 2024

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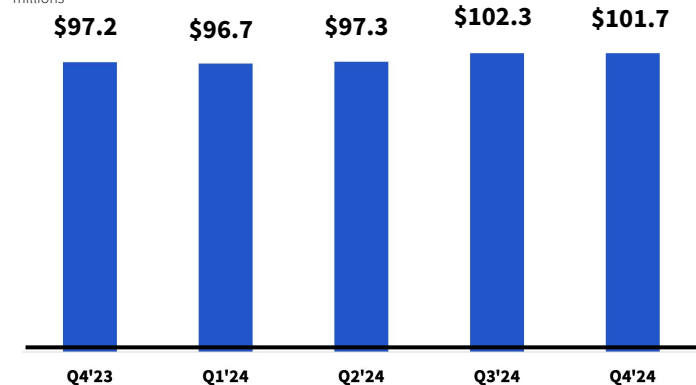Appendix

Consumer

$101.7M
+5% y/y

Growth driven by solid demand for our Coursera Plus subscription offering

Added **~6 million** new Registered Learners during the quarter for a total base of **168 million**[1]

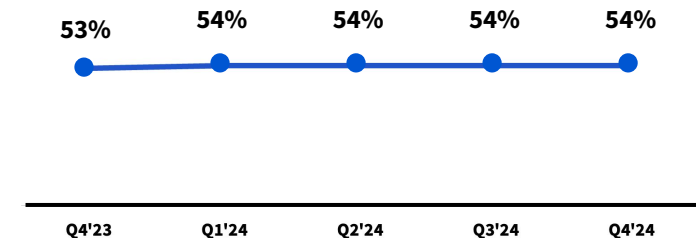**coursera**

Revenue
millions

| $97.2 | $96.7 | $97.3 | $102.3 | $101.7 |
| Q4'23 | Q1'24 | Q2'24 | Q3'24 | Q4'24 |

Segment margin[2]
percentage of Consumer revenue

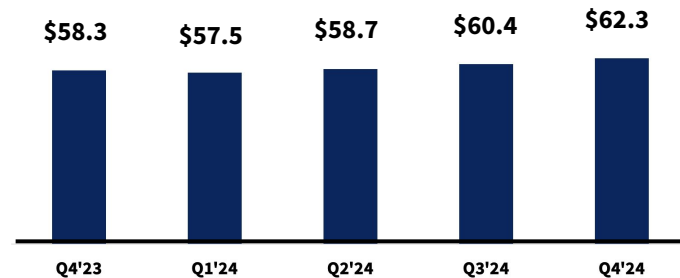| 53% | 54% | 54% | 54% | 54% |
| Q4'23 | Q1'24 | Q2'24 | Q3'24 | Q4'24 |

Enterprise

coursera

$62.3M
+7% y/y

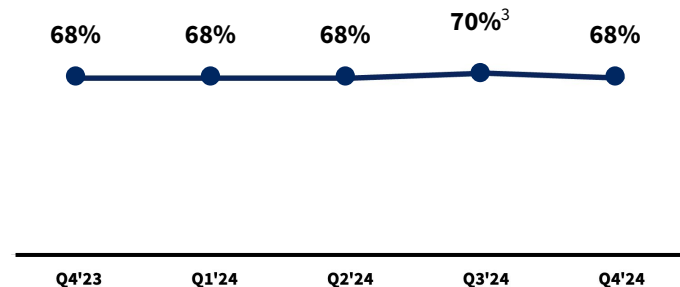Performance driven by growth in our business and campus verticals

Total number of Paid Enterprise Customers increased **+18%** y/y to **1,612**[1]

Net Retention Rate (NRR) for Paid Enterprise Customers was **87%**[1] reflecting more transitory budgets discussed throughout 2024

Revenue
millions

	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24
	$58.3	$57.5	$58.7	$60.4	$62.3

Segment margin[2]
percentage of Enterprise revenue

	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24
	68%	68%	68%	70%[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 revenue share benefit of approximately 150 basis points.

Degrees

$15.2M
+14% y/y

Growth in new students and scaling of new programs

Degrees Students reached **26,700**, up **+22%** y/y[1] on sizable new cohorts in recently added programs in India
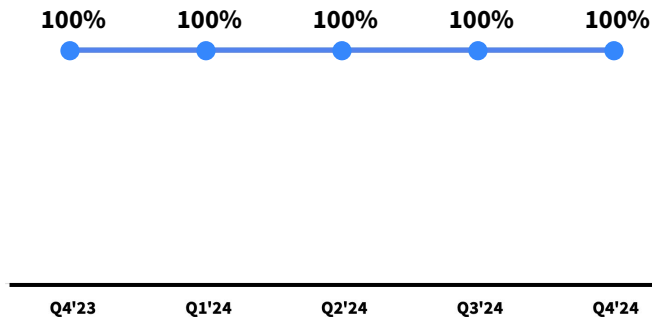
Outlook: We anticipate a revenue decline in our Degrees segment for Q1 and full year 2025 as we focus investments on productive near-term opportunities, such as Coursera for Campus, that can position us for a more immediate return to overall growth company revenue trajectory

Revenue
millions

Q4'23	Q1'24	Q2'24	Q3'24	Q4'24
$13.4	$14.8	$14.3	$13.4	$15.2

Segment margin[2]
percentage of Degrees revenue

Q4'23	Q1'24	Q2'24	Q3'24	Q4'24
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.

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Guidance

	Q1 2025	Full Year 2025 [1]
Revenue	**$173 - 177 million** Anticipate growth in Consumer and Enterprise, offset by a decline in Degrees [2]	**Positive overall top-line revenue growth** Anticipate growth in Consumer and Enterprise, offset by a decline in Degrees [2]
Adjusted EBITDA	**$8 - 12 million**	**Annual Adjusted EBITDA Margin improvement** Committed to annual Adjusted EBITDA Margin expansion, though at a more moderate pace than full year 2024
Weighted Average Share Count - Basic	161 million	164 million
Weighted Average Share Count - Diluted	165 million	170 million

1. **Leadership Transition**: As announced on January 29, 2025, Jeff Maggioncalda will retire as President and Chief Executive Officer, and as a Member of the Board. Greg Hart has been named President and CEO, and Member of the Board, effective February 3, 2025. **In consideration of the leadership transition, the Company intends to provide more detailed full year 2025 outlook in the coming months.**

2. **Degrees Outlook**: We anticipate a revenue decline in our Degrees segment for Q1 and full year 2025 as we focus investments on productive near-term opportunities, such as Coursera for Campus, that can position us for a more immediate return to an overall growth company revenue trajectory.

We define Adjusted EBITDA as our GAAP net loss excluding: (1) depreciation and amortization; (2) interest income, net; (3) income tax (benefit) expense; (4) other expense (income), net; (5) stock-based compensation expense; (6) payroll tax expense related to stock-based compensation; (7) M&A related transaction costs; (8) costs and settlement (gains) losses related to significant and non-recurring legal matters, net of insurance recoveries; and (9) restructuring related charges. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by revenue.

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.
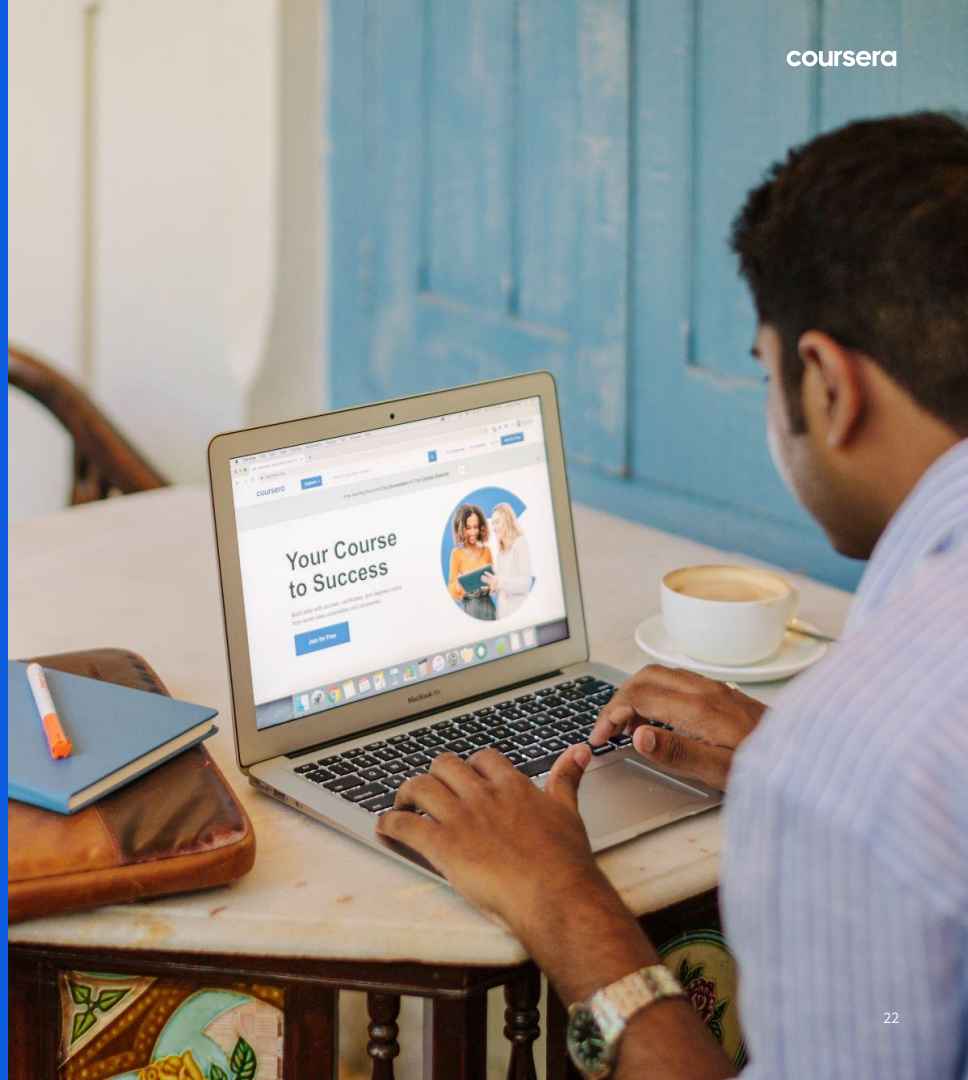
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Operating Segments

	Three Months Ended December 31,				Year Ended December 31,			
	2024		**2023**		**2024**		**2023**	
				(in thousands)				
Consumer								
Revenue	$	101,724	$	97,220	$	398,094	$	365,221
Cost of revenue	$	46,779	$	45,715	$	183,759	$	172,220
Segment gross profit [1]	$	54,945	$	51,505	$	214,335	$	193,001
Segment gross profit margin		54%		53%		54%		53%
Enterprise								
Revenue	$	62,263	$	58,302	$	238,865	$	219,542
Cost of revenue	$	19,682	$	18,663	$	74,988	$	69,158
Segment gross profit [1]	$	42,581	$	39,639	$	163,877	$	150,384
Segment gross profit margin		68%		68%		69%		68%
Degrees								
Revenue	$	15,193	$	13,358	$	57,715	$	51,001
Cost of revenue [2]	$	-	$	-	$	-	$	-
Segment gross profit [1]	$	15,193	$	13,358	$	57,715	$	51,001
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 December 31,				Year Ended December 31,			
	2024		2023		2024		2023	
	(in thousands)							
Gross profit	$	95,508	$	89,329	$	371,413	$	329,771
Stock-based compensation expense		694		563		2,657		2,593
Amortization of stock-based compensation capitalized as internal-use software costs		1,275		1,328		5,473		5,039
Payroll tax expense related to stock-based compensation		8		15		89		115
Non-GAAP gross profit	$	97,485	$	91,235	$	379,632	$	337,518

GAAP to Non-GAAP Reconciliation

Operating Expense

	Three Months Ended December 31,				Year Ended December 31,			
	2024		2023		2024		2023	
				(in thousands)				
Operating expense - Research and development	$	32,122	$	37,366	$	132,048	$	160,077
Stock-based compensation expense		(9,786)		(11,568)		(41,846)		(49,931)
Payroll tax expense related to stock-based compensation		(96)		(257)		(1,388)		(1,736)
Non-GAAP operating expense - Research and development	$	22,240	$	25,541	$	88,814	$	108,410
Operating expense - Sales and marketing	$	60,227	$	58,106	$	234,908	$	222,771
Stock-based compensation expense		(5,905)		(7,964)		(28,104)		(31,299)
Payroll tax expense related to stock-based compensation		(55)		(138)		(715)		(862)
Non-GAAP operating expense - Sales and marketing	$	54,267	$	50,004	$	206,089	$	190,610
Operating expense - General and administrative	$	26,860	$	22,416	$	108,734	$	98,325
Stock-based compensation expense		(8,559)		(7,572)		(35,477)		(31,352)
Payroll tax expense related to stock-based compensation		(59)		(405)		(799)		(1,244)
M&A related transaction costs		-		-		(3,369)		-
Significant and non-recurring legal matters		(1,657)		-		(6,258)		-
Non-GAAP operating expense - General and administrative	$	16,585	$	14,439	$	62,831	$	65,729

GAAP to Non-GAAP Reconciliation

Non-GAAP Gross Profit, Non-GAAP Net Income, and Non-GAAP Net Income Per Share

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
	(in thousands, except share and per share amounts)			
Net loss	$ (21,611)	$ (20,357)	$ (79,530)	$ (116,554)
Stock-based compensation expense	24,944	27,667	108,084	115,175
Amortization of stock-based compensation capitalized as internal-use software costs	1,275	1,328	5,473	5,039
Payroll tax expense related to stock-based compensation	218	815	2,991	3,957
M&A related transaction costs	-	-	3,369	-
Significant and non-recurring legal matters	1,657	-	6,258	-
Restructuring related charges	6,797	-	8,942	(5,806)
Non-GAAP net income	$ 13,280	$ 9,453	$ 55,587	$ 1,811
Weighted-average shares used in computing net loss per share—basic	159,179,499	153,690,451	157,370,977	150,957,814
Effect of dilutive securities	3,802,517	15,238,006	7,050,544	15,626,795
Weighted-average shares used in computing non-GAAP net income per share—diluted	162,982,016	168,928,457	164,421,521	166,584,609
Net loss per share—basic and diluted	$ (0.14)	$ (0.13)	$ (0.51)	$ (0.77)
Non-GAAP net income per share—diluted	$ 0.08	$ 0.06	$ 0.34	$ 0.01

We define non-GAAP gross profit and non-GAAP net income as GAAP gross profit and GAAP net loss excluding: (1) stock-based compensation expense; (2) amortization of stock-based compensation expense capitalized as internal-use software costs; (3) payroll tax expense related to stock-based compensation; (4) merger and acquisition ("M&A") related transaction costs; (5) costs and settlement (gains) losses related to significant and non-recurring legal matters, net of insurance recoveries; and (6) restructuring related charges. Non-GAAP net income per share is calculated by dividing non-GAAP net income by the diluted weighted average shares of common stock outstanding.

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.

Note: $ in thousands, except share and per share amounts. Numbers are rounded for presentation purposes.

GAAP to Non-GAAP Reconciliation

Adjusted EBITDA and Adjusted EBITDA Margin

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
	(in thousands)			
Net loss	$ (21,611)	$ (20,357)	$ (79,530)	$ (116,554)
Depreciation and amortization	6,350	5,768	25,082	22,270
Interest income, net	(8,489)	(9,298)	(36,726)	(34,432)
Income tax (benefit) expense	(2,319)	1,308	1,029	5,371
Other expense (income), net	1,921	(212)	2,008	19
Stock-based compensation expense	24,944	27,667	108,084	115,175
Payroll tax expense related to stock-based compensation	218	815	2,991	3,957
M&A related transaction costs	-	-	3,369	-
Significant and non-recurring legal matters	1,657	-	6,258	-
Restructuring related charges	6,797	-	8,942	(5,806)
Adjusted EBITDA	$ 9,468	$ 5,691	$ 41,507	$ (10,000)
Net loss margin	(12)%	(12)%	(11)%	(18)%
Adjusted EBITDA margin	5%	3%	6%	(2)%

We define Adjusted EBITDA as our GAAP net loss excluding: (1) depreciation and amortization; (2) interest income, net; (3) income tax (benefit) expense; (4) other expense (income), net; (5) stock-based compensation expense; (6) payroll tax expense related to stock-based compensation; (7) M&A related transaction costs; (8) costs and settlement (gains) losses related to significant and non-recurring legal matters, net of insurance recoveries; and (9) restructuring related charges. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by revenue.

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

GAAP to Non-GAAP Reconciliation

Free Cash Flow

	Three Months Ended December 31,		Year Ended December 31,	
	2024	**2023**	**2024**	**2023**
	(in thousands)			
Net cash provided by operating activities	$ 19,215	$ 11,568	$ 95,361	$ 29,639
Less: purchases of property, equipment and software	(1,081)	(121)	(1,585)	(1,147)
Less: capitalized internal-use software costs	(3,640)	(3,791)	(17,219)	(15,254)
Less: purchases of content assets	(7,113)	(1,966)	(17,295)	(5,344)
Free Cash Flow	$ 7,381	$ 5,690	$ 59,262	$ 7,894

We define Free Cash Flow as net cash provided by operating activities, less purchases of property, equipment, and software, capitalized internal-use software costs, and purchases of content assets as we consider these capital expenditures necessary to support our ongoing operations. Current and prior period Free Cash Flow amounts reported herein reflect the previously disclosed change to our definition of Free Cash Flow to include purchases of content assets.

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

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 that are active on our platform 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, including 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" for a period 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, or "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 Enterprise 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 for Paid Enterprise Customers.

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 a degree program during the period, including students enrolled within any wind-down or teach-out periods of any existing programs. If a degree term spans multiple quarters, the 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.