UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____ to ____

Commission File Number: 001-40275

COURSERA, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**45-3560292**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
2440 West El Camino Real, Suite 500 **Mountain View, California**	**94040**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (650) 963-9884

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.00001 par value per share	COUR	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 24, 2025, the registrant had 161.4 million shares of common stock, $0.00001 par value per share, outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (Unaudited)

COURSERA, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(In millions, except par value amounts)
(Unaudited)

	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 748.0	$ 726.1
Accounts receivable, net	59.9	59.7
Deferred costs, net	24.2	24.7
Prepaid expenses and other current assets	21.9	20.2
Total current assets	854.0	830.7
Property, equipment, and software, net	37.9	36.9
Operating lease right-of-use assets	2.8	3.0
Intangible assets, net	24.9	24.5
Other assets	31.6	35.2
Total assets	$ 951.2	$ 930.3
Liabilities and Stockholders' Equity		
Current liabilities:		
Educator partners payable	$ 100.5	$ 101.9
Other accounts payable and accrued expenses	17.4	21.4
Accrued compensation and benefits	17.8	31.6
Deferred revenue, current	184.7	159.7
Other current liabilities	14.1	12.9
Total current liabilities	334.5	327.5
Operating lease liabilities, non-current	3.1	3.0
Deferred revenue, non-current	2.2	1.6
Other liabilities	0.9	0.8
Total liabilities	340.7	332.9
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Preferred stock, $0.00001 par value—10.0 shares authorized and no shares issued and outstanding as of March 31, 2025 and December 31, 2024	—	—
Common stock, $0.00001 par value—300.0 shares authorized as of March 31, 2025 and December 31, 2024; 165.3 shares issued and 161.3 shares outstanding as of March 31, 2025, and 165.3 shares issued and 160.1 shares outstanding as of December 31, 2024	—	—
Additional paid-in capital	1,516.3	1,506.7
Treasury stock, at cost— 4.0 and 5.2 shares as of March 31, 2025 and December 31, 2024	(37.8)	(49.1)
Accumulated deficit	(868.0)	(860.2)
Total stockholders' equity	610.5	597.4
Total liabilities and stockholders' equity	$ 951.2	$ 930.3

See Notes to Condensed Consolidated Financial Statements.

COURSERA, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Operations
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
Revenue	$ 179.3	$ 169.1
Cost of revenue	81.4	79.6
Gross profit	97.9	89.5
Operating expenses:		
Research and development	29.5	34.6
Sales and marketing	56.8	57.6
General and administrative	26.9	25.0
Restructuring related charges	(0.9)	2.1
Total operating expenses	112.3	119.3
Loss from operations	(14.4)	(29.8)
Interest income, net	7.8	9.6
Other income (expense), net	0.3	(0.3)
Loss before income taxes	(6.3)	(20.5)
Income tax expense	1.5	0.8
Net loss	$ (7.8)	$ (21.3)
Net loss per share—basic and diluted	$ (0.05)	$ (0.14)
Weighted average shares used in computing net loss per share—basic and diluted	160.7	156.4

See Notes to Condensed Consolidated Financial Statements.

COURSERA, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Comprehensive Loss
(In millions)
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
Net loss	$ (7.8)	$ (21.3)
Change in unrealized loss on marketable securities, net of tax	—	(0.1)
Comprehensive loss	$ (7.8)	$ (21.4)

See Notes to Condensed Consolidated Financial Statements.

COURSERA, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Stockholders' Equity
(In millions)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Treasury Stock		Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares [(1)]	Amount		Shares [(1)]	Amount			
Balance—December 31, 2024	160.1	$ —	$ 1,506.7	5.2	$ (49.1)	$ —	$ (860.2)	$ 597.4
Exercise of stock options	0.3	—	(1.3)	(0.3)	2.5	—	—	1.2
Vesting of restricted stock units, net of tax withholdings	0.9	—	(15.0)	(0.9)	8.8	—	—	(6.2)
Stock-based compensation	—	—	25.9	—	—	—	—	25.9
Net loss	—	—	—	—	—	—	(7.8)	(7.8)
Balance—March 31, 2025	161.3	$ —	$ 1,516.3	4.0	$ (37.8)	$ —	$ (868.0)	$ 610.5
Balance—December 31, 2023	155.3	$ —	$ 1,460.0	7.6	$ (63.2)	$ 0.1	$ (780.7)	$ 616.2
Exercise of stock options	1.2	—	4.1	—	—	—	—	4.1
Vesting of restricted stock units, net of tax withholdings	1.1	—	(13.5)	—	—	—	—	(13.5)
Repurchases of common stock	(0.4)	—	—	0.4	(6.0)	—	—	(6.0)
Stock-based compensation	—	—	29.7	—	—	—	—	29.7
Other comprehensive loss	—	—	—	—	—	(0.1)	—	(0.1)
Net loss	—	—	—	—	—	—	(21.3)	(21.3)
Balance—March 31, 2024	157.2	$ —	$ 1,480.3	8.0	$ (69.2)	$ —	$ (802.0)	$ 609.1

(1) During the year ended December 31, 2024, we began settling equity awards with shares of our treasury stock. To enhance the presentation of these transactions in the Condensed Consolidated Statements of Stockholders' Equity, we revised shares of common stock to present the amounts issued and outstanding for all periods presented.

See Notes to Condensed Consolidated Financial Statements.

COURSERA, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	Three Months Ended March 31,	
	2025	**2024**
Cash flows from operating activities:		
Net loss	$ (7.8)	$ (21.3)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	7.1	6.4
Stock-based compensation expense	24.2	27.9
Impairment of long-lived assets	0.3	—
Other	(0.2)	0.4
Changes in operating assets and liabilities:		
Accounts receivable, net	(0.1)	8.5
Prepaid expenses and other assets	0.8	(1.6)
Operating lease right-of-use assets	0.2	1.5
Accounts payable and accrued expenses	(4.2)	(0.6)
Accrued compensation and other liabilities	(12.4)	(5.0)
Operating lease liabilities	—	(2.2)
Deferred revenue	25.6	10.5
Net cash provided by operating activities	33.5	24.5
Cash flows from investing activities:		
Proceeds from maturities of marketable securities	—	66.0
Purchases of content assets	(4.1)	(2.2)
Capitalized internal-use software costs	(3.6)	(4.1)
Purchases of property, equipment, and software	(0.5)	(0.1)
Net cash provided by (used in) investing activities	(8.2)	59.6
Cash flows from financing activities:		
Proceeds from exercise of stock options	1.2	4.1
Payments for repurchases of common stock	—	(5.6)
Payments for tax withholding on vesting of restricted stock units	(6.2)	(13.5)
Net cash used in financing activities	(5.0)	(15.0)
Net increase in cash, cash equivalents, and restricted cash	20.3	69.1
Cash, cash equivalents, and restricted cash—beginning of period	728.4	658.1
Cash, cash equivalents, and restricted cash—end of period	$ 748.7	$ 727.2
Supplemental disclosure of cash flow information:		
Cash paid for income taxes, net of refunds	$ 0.2	$ 1.1
Supplemental disclosure of noncash investing and financing activities:		
Stock-based compensation capitalized as internal-use software costs	$ 1.7	$ 1.8
Unpaid purchases of content assets	$ 0.9	$ 1.1

See Notes to Condensed Consolidated Financial Statements.

COURSERA, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In millions, except per share amounts)

1. BASIS OF PRESENTATION AND DESCRIPTION OF BUSINESS

Basis of Presentation

The accompanying Condensed Consolidated Financial Statements (Unaudited) of Coursera, Inc., a Delaware public benefit corporation, and its subsidiaries ("Coursera," the "Company," "we," "us," or "our") have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and following the requirements of the Securities and Exchange Commission ("SEC") for interim reporting. As permitted under those rules, certain footnotes or other financial information that are normally required by GAAP can be condensed or omitted. These Condensed Consolidated Financial Statements (Unaudited) have been prepared on the same basis as our annual consolidated financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, that are necessary for a fair statement of our financial information. The results of operations for the three months ended March 31, 2025 are not necessarily indicative of the results to be expected for the year ending December 31, 2025 or for any other interim period or for any other future year.

These Condensed Consolidated Financial Statements (Unaudited) should be read in conjunction with the Consolidated Financial Statements contained in our Annual Report on Form 10-K for the year ended December 31, 2024, which was filed with the SEC on February 24, 2025 ("Form 10-K").

Description of Business

Coursera is an online learning platform that aims to provide access to world-class, affordable, and relevant education and skills training by connecting learners, institutions, and content creators in our ecosystem. We deliver branded content and product capabilities through an integrated platform that encompasses our global reach, data, and technology, making it customizable and extensible for both individual learners and institutions. We partner with university and industry partners (collectively, our "educator partners" or "content creators") to provide high-quality adult education and training solutions to a wide range of individuals, businesses, organizations, and governments. We also sell directly to institutions, including employers, colleges and universities, organizations, and governments, enabling their employees, students, and citizens to gain critical skills aligned with job market needs. Our corporate headquarters is located in Mountain View, California.

Leadership Transition

Effective February 3, 2025, our Board of Directors (the "Board") appointed Gregory Hart as our President, Chief Executive Officer ("CEO"), and a Class III director on our Board. Refer to Note 11 for additional information.

Reporting Segments

Our chief operating decision maker ("CODM") is our CEO. In connection with Mr. Hart's appointment as our CEO, we have simplified our business model and determined that our operations are conducted through two reporting segments: Consumer and Enterprise, which reflects how our CODM assesses performance and allocates resources. This updated structure enhances our CODM's ability to allocate resources effectively and enables our CODM to make informed decisions that align with our strategic priorities, drive learner and customer satisfaction, and ultimately support business growth. This segment reporting change does not impact our Enterprise segment or consolidated results. Refer to Note 13 for additional information.

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The Condensed Consolidated Financial Statements (Unaudited) include the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Summary of Significant Accounting Policies

There have been no significant changes to our significant accounting policies as of and for the three months ended March 31, 2025 as compared to the significant accounting policies described in our Form 10-K.

Concentrations of Risk

Financial instruments that potentially subject us to concentration of credit risk consist of cash and cash equivalents. We only invest in high-credit-quality instruments and maintain our cash equivalents in fixed-income securities. We place our cash primarily with domestic financial institutions that are federally insured within statutory limits.

For the purpose of assessing the concentration of credit risk with respect to accounts receivable and significant customers, we treat a group of customers under common control or customers that are affiliates of each other as a single customer. For the three months ended March 31, 2025 and 2024, we did not have any customers that accounted for more than 10% of our revenue. As of March 31, 2025, we did not have any customers that accounted for more than 10% of our net accounts receivable balance.

Our business model relies on educational content and credentialing programs from educator partners. Our largest educator partner has global brand recognition and supplies a variety of in-demand content across multiple domains. The loss of, or significant reduction in, this partnership or one of our other large educator partners could have a material adverse effect on our financial position, results of operations, and cash flows.

Use of Estimates

The preparation of the Condensed Consolidated Financial Statements (Unaudited) in conformity with GAAP requires management to make estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities and related disclosures as of the date of the Condensed Consolidated Financial Statements (Unaudited), as well as the reported amounts of revenue and expenses during the reporting period. We base our estimates on historical experience, current conditions, and various other factors that we believe to be reasonable under the circumstances. Significant items subject to such estimates, judgments, and assumptions include, but are not limited to, those related to the determination of principal versus agent and variable consideration in our revenue contracts; stock-based compensation expense; period of benefit for capitalized commissions; internal-use software costs; useful lives of long-lived assets; the carrying value of operating lease right-of-use assets; the valuation of intangible assets; loss contingencies and potential recoveries; and income tax expense, including the valuation of deferred tax assets and liabilities, among others. Actual results could differ from those estimates, and any such differences could be material to our Condensed Consolidated Financial Statements (Unaudited).

Recent Accounting Pronouncements

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires public entities on an annual basis to disclose (1) specific categories in the tax rate reconciliation and (2) income taxes paid disaggregated by jurisdiction. This ASU will be effective for annual reporting periods beginning with our fiscal year ending December 31, 2025, with early adoption permitted. The amendments should be applied on a prospective basis, though retrospective application is permitted. We preliminarily expect the new ASU to result in enhanced disclosure of disaggregated data about our tax payments within certain U.S. states, India, Canada, and the U.K. We are evaluating the components of our rate reconciliation to ensure disclosure of sufficient information to enable users of our financial statements to understand the nature and magnitude of factors contributing to the difference between the effective tax rate and the statutory tax rate.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40),* which requires disclosure, on an annual and interim basis, of specified disaggregated information about certain costs and expenses. Additionally, in January 2025, the FASB issued ASU 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)*, to clarify the effective date of ASU 2024-03. ASU 2024-03 will be effective for annual reporting periods beginning with our fiscal year ending December 31, 2027 and for interim reporting periods beginning with our fiscal quarter ending March 31, 2028, with early adoption permitted. The amendments may be applied either prospectively or retrospectively. We are currently evaluating the impact ASU 2024-03 will have on our financial statement disclosures.

3. REVENUE RECOGNITION

Deferred Revenue

Revenue recognized during the three months ended March 31, 2025 and 2024 that was included in the corresponding deferred revenue balance at the beginning of each year was $82.1 million and $70.3 million.

Remaining Performance Obligations

Remaining performance obligations represent contracted revenue that has not yet been recognized, which includes deferred revenue in the Condensed Consolidated Balance Sheets and unbilled amounts that will be recognized as revenue in future periods. As of March 31, 2025, we had remaining performance obligations of $330.2 million and expect to recognize approximately 73% as revenue over the next 12 months and the remainder thereafter.

Costs to Obtain and Fulfill Contracts

The following table presents our capitalization and amortization of commissions and related payroll tax expenditures recorded within sales and marketing in the Condensed Consolidated Statements of Operations:

	Three Months Ended March 31,	
Commissions and related payroll tax expenditures:	2025	2024
Capitalization	$ 1.7	$ 1.3
Amortization	$ 3.9	$ 3.6

Deferred commissions and related payroll tax expenditures, which are included in deferred costs and other assets, were as follows:

	March 31, 2025	December 31, 2024
Deferred costs, net	$ 13.2	$ 13.8
Other assets	$ 13.0	$ 14.6

No impairment losses were recognized during the three months ended March 31, 2025 and 2024.

4. INVESTMENTS

Investments Measured at Fair Value on a Recurring Basis

The following table summarizes our investments measured at fair value on a recurring basis by balance sheet classification and investment type:

	March 31, 2025		December 31, 2024	
	Amortized Cost	Fair Value - Level 1	Amortized Cost	Fair Value - Level 1
Cash equivalents—money market funds	$ 177.3	$ 177.3	$ 174.2	$ 174.2
Cash equivalents—U.S. Treasury securities	550.4	550.4	529.5	529.5
Total cash equivalents	$ 727.7	$ 727.7	$ 703.7	$ 703.7

Gross unrealized and realized gains and losses related to our cash equivalents were not material for the three months ended March 31, 2025 and 2024.

Investments Measured at Fair Value on a Nonrecurring Basis

Our existing equity investments are remeasured at fair value on a nonrecurring basis when an identifiable event or change in circumstance may have a significant adverse impact on its fair value. No such events or changes occurred during the three months ended March 31, 2025 and 2024.

5. CONSOLIDATED BALANCE SHEET COMPONENTS

Restricted Cash

The reconciliation of cash, cash equivalents, and restricted cash was as follows:

	March 31, 2025	December 31, 2024
Cash and cash equivalents	$ 748.0	$ 726.1
Restricted cash, current	—	1.6
Restricted cash, non-current	0.7	0.7
Total cash, cash equivalents, and restricted cash	$ 748.7	$ 728.4

Accounts Receivable, Net

Accounts receivable, net consisted of the following:

	March 31, 2025	December 31, 2024
Billed accounts receivable, net of allowance for credit losses	$ 48.0	$ 55.4
Unbilled accounts receivable	11.9	4.3
Accounts receivable, net	$ 59.9	$ 59.7

Property, Equipment, and Software, Net

Property, equipment, and software, net consisted of the following:

	March 31, 2025	December 31, 2024
Internal-use software and website development	$ 99.9	$ 94.6
Computer equipment and purchased software	4.5	4.7
Leasehold improvements	1.1	0.7
Furniture and fixtures	0.8	0.5
Total property, equipment, and software	106.3	100.5
Less accumulated depreciation and amortization	(68.4)	(63.6)
Property, equipment, and software, net	$ 37.9	$ 36.9

The following table presents depreciation and amortization expense related to property, equipment, and software as well as the portion of amortization expense related to internal-use software and website development that is recorded within cost of revenue in the Condensed Consolidated Statements of Operations:

	Three Months Ended March 31,	
	2025	2024
Depreciation and amortization expense	$ 5.0	$ 5.3
Amortization expense for internal-use software and website development	4.7	4.8

Intangible Assets, Net

Intangible assets, net consisted of the following:

	March 31, 2025			December 31, 2024		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Content assets	$ 33.7	$ (9.3)	$ 24.4	$ 31.2	$ (7.6)	$ 23.6
Developed technology	8.4	(7.9)	0.5	8.4	(7.5)	0.9
Intangible assets	$ 42.1	$ (17.2)	$ 24.9	$ 39.6	$ (15.1)	$ 24.5

Capitalization of content assets and amortization expense for intangible assets were as follows:

	Three Months Ended March 31,	
	2025	2024
Capitalization of content assets	$ 2.8	$ 1.9
Amortization expense for intangible assets	$ 2.1	$ 1.1

Impairment losses related to content assets were immaterial during the three months ended March 31, 2025 and 2024.

As of March 31, 2025, future expected amortization expense for intangible assets was as follows:

Remainder of 2025	$ 6.5
2026	6.1
2027	4.8
2028	4.4
2029	3.0
Thereafter	0.1
Total	$ 24.9

6. LEASES

We have entered into various non-cancelable office space operating leases with lease periods expiring through June 2030. These leases do not contain residual value guarantees, covenants, or other restrictions.

In August 2024, we entered into a new operating lease agreement for office space in Mountain View, California to replace our existing headquarters lease, resulting in the recognition of an operating lease right-of-use asset and operating lease liability of $3.0 million. The lease term commenced in September 2024 and terminates in June 2030. The operating lease agreement includes an option to extend or terminate the lease, which is not reasonably certain to be exercised and therefore is not factored into the determination of lease payments.

7. INCOME TAXES

Income tax expense or benefit for interim periods is determined using an estimate of our annual effective tax rate, adjusted for discrete items, if any, that are considered in the relevant period. Each quarter, we update the estimate of the annual effective tax rate, and if the estimated tax rate changes, we record a cumulative adjustment.

Our effective tax rate for the three months ended March 31, 2025 and 2024 was (23.1%) and (4.0%). The difference between the effective tax rate and the U.S. federal statutory rate is primarily due to a valuation allowance for our federal and state net deferred tax assets, income taxes on foreign operations, U.S. state income taxes, and stock-based compensation expense.

As of March 31, 2025, we continued to have a full valuation allowance against our U.S. federal and state deferred tax assets. Management regularly evaluates the realizability of our deferred tax assets. Adjustments are recorded to income during the period in which management makes the determination a deferred tax asset is more likely than not to be realized.

8. NET LOSS PER SHARE

The following table presents the calculation of basic and diluted net loss per share:

	Three Months Ended March 31,	
	2025	2024
Numerator:		
Net loss	$ (7.8)	$ (21.3)
Denominator:		
Weighted-average shares used in computing net loss per share—basic and diluted	160.7	156.4
Net loss per share—basic and diluted	$ (0.05)	$ (0.14)

The following potentially dilutive securities were excluded from the computation of diluted net loss per share calculations for the periods presented because the impact of including them would have been anti-dilutive:

	Three Months Ended March 31,	
	2025	2024
Restricted stock units (“RSUs”)	19.6	21.2
Common stock options	13.9	9.9
ESPP stock purchase rights (“ESPP Rights”)	0.5	0.4
Performance stock units (“PSUs”)	0.4	0.3
Total	34.4	31.8

9. COMMITMENTS AND CONTINGENCIES

Purchase Obligations

Our purchase obligations primarily relate to a third-party cloud infrastructure agreement, subscription arrangements, and service agreements used to facilitate our operations. As of March 31, 2025, we had approximately $10.7 million in future minimum payments due under our non-cancelable purchase obligations with a remaining term in excess of one year. These are expected to be paid through 2026.

Legal Proceedings

From time to time, we may be subject to legal proceedings, as well as demands, claims, and threatened litigation. The outcomes of legal proceedings and other contingencies are inherently unpredictable, subject to significant uncertainties, and could be material to our operating results and cash flows for a particular period. Regardless of the outcome, litigation can have an adverse impact on our business because of defense and settlement costs, diversion of management resources, and other factors. Other than the matters described below, we are not currently party to any legal proceeding that we believe, as of the filing of this Quarterly Report on Form 10-Q, could have a material adverse effect on our business, operating results, cash flows, or financial condition should such litigation or claim be resolved unfavorably.

We regularly review the status of each significant matter and assess its potential likelihood of loss or exposure. We record an accrual for loss contingencies for legal proceedings when we believe that an unfavorable outcome is both (i) probable and (ii) reasonably estimable in terms of the amount or range of any possible loss. The actual liability in any such matters may be materially different from the Company’s estimates, if any, which could result in the need to adjust the liability and record additional expenses.

Privacy Arbitration Matters

Law firms representing a significant number of purported claimants have threatened to file or filed arbitration demands for alleged violations of the Video Privacy Protection Act ("VPPA") and allege, among other things, that without consent or knowledge of the plaintiffs, Coursera disclosed the video viewing history and certain other information of the plaintiffs to a third-party company and made similar disclosures without the knowledge or consent of other unidentified users. Certain firms also claim violations of the Electronic Communications Privacy Act, the California Invasion of Privacy Act, and/or various state wiretapping and unfair or deceptive practices laws. Under the VPPA, each claimant may be entitled to recover damages for each alleged violation of the VPPA, as well as punitive damages, attorneys' fees and costs, and equitable relief. Without admitting to any liability or wrongdoing, we settled claims with a substantial portion of these claimants in the fourth quarter of 2024 for $4.7 million, for which we recovered the full amount with insurance proceeds. Additionally, we entered into a settlement agreement in principle with the majority of the remaining claimants in January 2025 for $4.5 million. The remaining arbitration claims are not considered material.

While we maintain insurance policies intended to provide coverage for the aforementioned claims and have notified our insurance carriers about these claims, there can be no assurance regarding if or to what extent our insurance may cover such claims or any future claims. With respect to certain of the VPPA matters, inclusive of the aforementioned settlements, we have accrued $4.8 million within other current liabilities on the Condensed Consolidated Balance Sheets as of March 31, 2025.

Legal fees related to these matters were insignificant during the three months ended March 31, 2025 and 2024.

Indemnifications

In the normal course of business, we enter into contracts and agreements that contain a variety of representations and warranties and provide for the potential of general indemnification obligations. Our exposure under these agreements is unknown because it involves future claims that may be made against us but have not yet been made. To date, we have not paid any material claims and have not been required to defend any actions related to our indemnification obligations; however, we may record charges in the future as a result of these indemnification obligations. In addition, we have indemnification agreements with certain of our directors, executive officers, and other employees that require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service with Coursera. The terms of such obligations may vary.

10. STOCKHOLDERS' EQUITY

Share Repurchase Program

On April 26, 2023, the Board approved a share repurchase program with authorization to purchase up to $95.0 million of our common stock, excluding commissions and fees. We funded these share repurchases with our existing cash and cash equivalents and completed the purchase authorization on May 7, 2024.

During the three months ended March 31, 2024, we repurchased an aggregate of approximately 0.4 million shares of our common stock for $6.0 million under the aforementioned program.

11. EMPLOYEE BENEFIT PLANS

Stock Incentive Plans

As of March 31, 2025, 15.7 million shares and 6.7 million shares of our common stock were reserved for future issuance under our 2021 Stock Incentive Plan (the "2021 Plan") and 2021 Employee Stock Purchase Plan (the "ESPP"). Shares issuable under the 2021 Plan and the ESPP may be drawn from authorized but unissued shares or from treasury stock. In 2024, we began settling stock option exercises, vesting of RSUs, and ESPP purchases by reissuing shares of our common stock from treasury stock.

CEO Transition

As described in Note 1, Mr. Hart was appointed on February 3, 2025 (the "Start Date") as our President, CEO, and a Class III director on our Board. Pursuant to the terms of his offer letter, the Board granted Mr. Hart new hire equity awards consisting of approximately 1.9 million RSUs, 3.7 million service-based stock options, and 1.4 million performance-based stock options. The RSUs are scheduled to vest over four years, with 25% vesting on the first anniversary of the Start Date, 6.25% vesting on February 15, 2026, and the remainder vesting in equal quarterly installments thereafter, subject to Mr. Hart's continued employment through each vesting date. The service-based stock options have an exercise price of $7.81 per share of common stock and are scheduled to vest over four years, with 25% vesting on the first anniversary of the Start Date and the remainder vesting in equal quarterly installments thereafter, subject to continued employment. The performance-based stock options also have an exercise price of $7.81 per share of common stock and are scheduled to vest upon satisfaction of both service- and market-based vesting conditions. The service-based vesting condition is consistent with the vesting schedule of the service-based stock options, and the market-based vesting condition is satisfied when the trailing simple moving average closing price of the Company's common stock over a 60-trading day period equals or exceeds $12.81 per share.

We estimated the grant date fair value of the service-based stock options utilizing the Black-Scholes option-pricing model, resulting in a fair value of $4.47 per share. The Black-Scholes model considers several variables and assumptions in estimating the fair value of options, including the exercise price, expected term, risk-free interest rate, and expected stock price volatility over the expected term.

The grant date fair value of the performance-based stock options was estimated using a Monte Carlo simulation model, resulting in a fair value of $4.91 per share and a derived service period of 1.8 years. We are recognizing the related stock-based compensation expense using the accelerated attribution method, which recognizes the fair value of each vesting tranche over the longer of the derived service period and contractual vesting period.

In connection with the CEO transition, we entered into separation and advisory agreements with our former CEO. The advisory agreement runs through August 15, 2025. During this period, he will continue to vest in his stock awards, and the exercise period of his outstanding vested stock options will be extended through August 3, 2026. This modification of his stock-based awards coupled with a non-substantive service period resulted in the recognition of $4.1 million of stock-based compensation expense during the three months ended March 31, 2025. The separation agreement also includes other benefits, which are not considered material.

Stock Options

We grant stock options at prices equal to the grant date fair value. Typically, these stock options expire ten years from the grant date and vest ratably over a four-year service period.

Stock option activity for the three months ended March 31, 2025 was as follows:

	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value
Balance—December 31, 2024	9.1	$ 7.64	4.97	$ 25.3
Granted	5.2	7.81		
Exercised	(0.3)	4.46		
Canceled	(0.1)	24.14		
Balance—March 31, 2025	13.9	$ 7.67	6.59	$ 13.5
Options vested	7.6	$ 7.03	4.08	$ 13.5

RSUs and PSUs

RSUs have a service-based vesting condition, which is satisfied generally either (i) over four years with a 25% cliff vesting period after one year and 6.25% vesting each quarter thereafter for new hires, or (ii) over four years with 6.25% vesting each quarter for new grants to existing employees. The related stock-based compensation expense is recognized on a straight-line basis over the requisite service period.

In March 2025 and 2024, we granted PSUs to certain executives under the 2021 Plan. PSU grants have both performance and service-based vesting conditions. The ultimate number of units that will vest is determined based on the achievement of annual revenue against a pre-established target (with defined threshold and maximum amounts ranging from 50% to 150% of target). If annual revenue is below the threshold amount, none of the PSUs will vest. If annual revenue is equal to or exceeds the threshold amount, 25% of the PSUs ultimately granted will vest after one year, and 6.25% of the remaining PSUs will vest quarterly over the subsequent three years. The fair value of each unit is determined on the grant date, and the related stock-based compensation expense is recognized using the accelerated attribution method. We evaluate the vesting conditions on a quarterly basis and recognize stock-based compensation expense if the achievement of the performance condition is probable.

RSU and PSU activity for the three months ended March 31, 2025 was as follows:

	RSUs			PSUs		
	Number of Units	**Weighted-Average Grant Date Fair Value**	**Aggregate Intrinsic Value**	**Number of Units**	**Weighted-Average Grant Date Fair Value**	**Aggregate Intrinsic Value**
Unvested balance—December 31, 2024	16.1	$ 12.82	$ 136.7	0.3	$ 14.36	$ 2.2
Granted[(1)]	6.8	7.38		0.3	7.12	
Vested[(2)]	(1.6)	16.22		(0.1)	14.36	
Forfeited[(3)]	(1.7)	13.20		(0.1)	14.36	
Unvested balance—March 31, 2025	19.6	$ 10.63	$ 130.6	0.4	$ 9.53	$ 2.9

(1) For PSUs, the amount presented as the number of units granted is based on the performance condition being achieved at the target level. Once the performance period is complete, the number of units that will vest may range from 0% to 150% of the target amount based on actual performance.

(2) Includes 0.2 million units or 83.85% of PSUs granted in March 2024, certified as vested by our Human Resources and Compensation Committee in February 2025 based on attainment against the pre-established annual revenue target.

(3) Forfeited PSUs include awards forfeited due to the failure to meet service-based vesting conditions and those that did not satisfy the performance-based vesting condition. The latter represents the difference between the PSUs granted at target and the number of units vested based on the attainment against the pre-established annual revenue target.

Stock-Based Compensation Expense

Stock-based compensation expense is classified in the Condensed Consolidated Statements of Operations as follows:

	Three Months Ended March 31,	
	2025	2024
Cost of revenue	$ 0.7	$ 0.7
Research and development	8.6	11.0
Sales and marketing	4.9	7.9
General and administrative	11.6	8.3
Restructuring related charges	(1.6)	—
Total	$ 24.2	$ 27.9

We capitalized $1.7 million and $1.8 million of stock-based compensation related to our internal-use software during the three months ended March 31, 2025 and 2024.

The table below presents unrecognized employee compensation cost related to unvested shares and the weighted-average period over which it is expected to be recognized:

	March 31, 2025	
	Unrecognized Employee Compensation Cost Related to Unvested Shares	Weighted-Average Period Over Which the Compensation Is Expected to Be Recognized (in Years)
RSUs	$ 190.0	2.7
Common stock options	29.1	3.5
ESPP Rights	4.4	1.0
PSUs	3.2	3.6

Common Stock Reserved for Issuance

The following table presents total shares of our common stock reserved for future issuance:

	March 31, 2025	December 31, 2024
RSUs outstanding	19.6	16.1
Stock options outstanding	13.9	9.1
PSUs outstanding	0.4	0.3
Shares available for future grants	22.4	22.5
Total shares of common stock reserved	56.3	47.9

401(k) Plan

We have a 401(k) savings plan that provides for a discretionary employer-matching contribution. We made matching contributions of $0.9 million to the plan for the three months ended March 31, 2025 and 2024.

12. RELATED PARTY TRANSACTIONS

We have a content sourcing agreement with DeepLearning.AI Corp (“DeepLearning.AI”), which was entered into in the normal course of business and under standard terms. Dr. Andrew Ng, one of our co-founders and Chairman of our Board, owns DeepLearning.AI. Content fees earned by DeepLearning.AI during the three months ended March 31, 2025 and 2024 were $2.2 million and $2.3 million and were recorded within cost of revenue in the Condensed Consolidated Statements of Operations. As of March 31, 2025 and December 31, 2024, outstanding educator partner payables related to this content sourcing agreement were $2.2 million and $4.1 million.

13. SEGMENT AND GEOGRAPHIC INFORMATION

Segment Information

As disclosed in Note 1, our CODM is our CEO. Under our new CEO's leadership, we have simplified our business model to better reflect our focus on serving adult learners at every stage. This includes a broad set of offerings that span from standalone courses to university degrees. As a part of this strategy, degrees has been incorporated into our Consumer segment as another product category that supports our learners. These changes aim to ensure that our investments effectively serve a broad audience of learners.

Beginning in fiscal year 2025, due to the simplification of our business model and the change in how our CODM assesses performance and allocates resources, we have identified two reporting segments: Consumer and Enterprise. This is also consistent with how we disaggregate revenue. The segment reporting change does not impact our Enterprise segment or consolidated results. We have recast all prior-period segment information to align with our current segment presentation.

Our CODM primarily measures each segment's performance based on revenue and gross profit. Segment gross profit, as presented below, is defined as segment revenue less segment content costs within cost of revenue. These costs are considered significant segment expenses that are regularly reviewed by our CODM. Other costs of revenue, including platform operation and maintenance costs, amortization of internal-use software and intangible assets, and stock-based compensation expense, are managed on an enterprise-wide basis and not reported by segment. In addition, we do not report operating expenses, other income (expense), net, or income tax expense (benefit) by segment because our CODM reviews this financial information on a consolidated basis.

Our CODM does not use segment-level asset information to assess performance or allocate resources. Therefore, we do not track our long-lived assets by segment. The geographic identification of these assets is provided below.

Financial information for each reportable segment was as follows:

	Three Months Ended March 31,					
	2025			2024		
	Consumer	Enterprise	Consolidated	Consumer	Enterprise	Consolidated
Revenue	$ 117.6	$ 61.7	$ 179.3	$ 111.6	$ 57.5	$ 169.1
Segment content costs	45.2	18.5	63.7	45.0	18.4	63.4
Segment gross profit	$ 72.4	$ 43.2	$ 115.6	$ 66.6	$ 39.1	$ 105.7
Segment gross profit margin	61.6 %	70.0 %	64.5 %	59.7 %	68.0 %	62.5 %
Other costs of revenue:						
Platform operation and maintenance costs			10.2			9.6
Amortization of internal-use software			4.7			4.8
Amortization of intangible assets			2.1			1.1
Stock-based compensation expense			0.7			0.7
Cost of revenue			$ 81.4			$ 79.6
Gross profit			$ 97.9			$ 89.5
Gross profit margin			54.6 %			52.9 %

Geographic Information

Revenue

The following table summarizes the revenue by region based on the billing address of our customers:

	Three Months Ended March 31,	
	2025	2024
United States	$ 93.0	$ 92.4
Europe, Middle East, and Africa	43.4	39.2
Asia Pacific	24.8	21.1
Other	18.1	16.4
Total	$ 179.3	$ 169.1

No single country other than the United States represented 10% or more of our total revenue during the three months ended March 31, 2025 and 2024.

Long-lived Assets

The following table presents our long-lived assets, consisting of property, equipment, and software, net of depreciation and amortization, and operating lease right-of-use assets, by geographic region:

	March 31, 2025	December 31, 2024
United States	$ 40.1	$ 39.0
Rest of World	0.6	0.9
Total	$ 40.7	$ 39.9

14. RESTRUCTURING RELATED CHARGES

During 2024 and the first quarter of 2025, in alignment with our efforts to refine our business strategy and hone our focus, we reduced our expenses and prioritized investments in key initiatives expected to drive long-term, sustainable growth.

In January 2024, we implemented a plan to restructure our Enterprise segment sales force and recognized restructuring related charges of $2.1 million during the three months ended March 31, 2024. Related cash payments of $1.8 million were made during the same period and reflected as cash used in operating activities within our Condensed Consolidated Statements of Cash Flows.

In October 2024, we announced a commitment to further reduce overall expenses, focus our efforts, and prioritize future investments in key initiatives that we expect will drive long-term, sustainable growth. This initiative resulted in a reduction of our global workforce by approximately 9%, creating capacity for targeted investments, as well as incremental profitability. In the fourth quarter of 2024, we recognized restructuring related charges of $6.8 million, mainly consisting of personnel expenses such as severance and benefits, and paid $2.7 million. During the three months ended March 31, 2025, we recognized incremental charges of $0.7 million, made cash payments of $5.2 million, and also recognized a reversal of stock-based compensation expense of $1.6 million due to the forfeiture of RSUs and stock options. As of March 31, 2025, an insignificant amount remains unpaid.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following section discusses financial condition and results of operations of Coursera, Inc. and its subsidiaries ("Coursera," the "Company," "we," "us," or "our") and should be read in conjunction with our Condensed Consolidated Financial Statements (Unaudited) and the related notes included in Item 1 of Part I of this report and together with our Consolidated Financial Statements and the related notes and the discussions under the heading "Management's Discussions and Analysis of Financial Condition and Results of Operations" for the year ended December 31, 2024 included in our Annual Report on Form 10-K for the year ended December 31, 2024, which was filed with the SEC on February 24, 2025 ("Form 10-K").

This Quarterly Report on Form 10-Q ("Form 10-Q") contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements in this report other than statements of historical fact, including statements identified by words 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 similar expressions, are forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- trends and expectations for growth in the higher education and online education markets;
- the acceptance, adoption, and growth of online learning and credentialing;
- market acceptance and demand for our platform;
- the potential benefits of our solutions to learners and educator partners;
- anticipated launch dates of new educator partner programs;
- our business model;
- our expectations of our future financial performance, including revenue, expenses, and profitability;
- our ability to successfully develop, launch, maintain, and scale new programs, offerings, and features, including artificial intelligence ("AI");
- our ability to expand our platform's content and credentialing programs;
- our ability to manage or sustain our growth and to effectively expand our global customer base and operations;
- our ability to acquire new educator partners and expand program offerings with existing educator partners;
- our ability to acquire prospective learners and to affect or increase learner enrollment, revenue, and retention;
- our growth strategies, plans, objectives, and goals;
- our ability to successfully expand our international operations;
- our ability to compete and expectations about the future competitive landscape;
- our ability to attract and retain key employees;
- the scalability of our platform and operations;
- our ability to develop and protect our brand;
- the size of our addressable markets, market share, and market trends;
- the affordability and convenience of our platform;
- our ability to obtain, maintain, protect, and enforce our intellectual property ("IP") and proprietary rights and successfully defend against claims of infringement, misappropriation, or other violations of third-party IP;
- our anticipated future capital requirements, including the availability of capital to grow our business;
- our ability to successfully defend, settle, or otherwise resolve any current or future legal proceedings brought against us;
- our ability to implement and maintain effective policies, procedures, and internal controls;
- our ability to comply with potential changes in laws and regulations applicable to us or our educator partners;

- our expense reduction initiatives and their anticipated timing and impact;
- the amount of time for which we expect our cash balances and other available financial resources to be sufficient to fund our operations;
- our contractual obligations and commitments;
- the anticipated utility of our non-GAAP financial measures and key business metrics; and
- our expectations as to interest rate and foreign currency risks.

In addition, any statements contained herein that are not statements of historical facts are deemed to be forward-looking statements. These forward-looking statements reflect our management’s beliefs and views with respect to future events, are based on estimates and assumptions as of the date of this report, and are subject to a number of risks and uncertainties that could cause our actual results to differ materially from those expressed or implied by our forward-looking statements. These risks and uncertainties include, but are not limited to, those risks discussed in Part II, Item 1A “Risk Factors” of this report. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. Given these uncertainties, you should not place undue reliance on these forward-looking statements. We qualify all of the forward-looking statements in this report with these cautionary statements.

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, events, or circumstances reflected in the forward-looking statements will be achieved or occur. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this report to conform these statements to actual results or to changes in our expectations, except as required by law.

Overview

Coursera is one of the world's largest online learning destinations, connecting an ecosystem of learners, content creators, organizations, and institutions through high-quality content, credentials, data, and technology.

We partner with over 350 university and industry partners (collectively, our “educator partners” or “content creators”) to create and distribute high-quality, modular, flexible, and affordable content. As of March 31, 2025, we had approximately 175 million Registered Learners on our platform. Our learners engage with a broad catalog of products, from standalone projects and courses to advanced skills development through industry micro-credentials and degree programs.

Coursera serves learners directly, as well as through their employers, academic institutions, and government-sponsored programs. We offer a wide range of learning products, including Guided Projects, courses, Specializations, and certificates that can enable career progression or build towards a broader course of study such as a degree. We are focused on creating an integrated learner journey, so that investments in Coursera's platform capabilities, product development, and innovation can serve a broad audience of learners at all stages of career advancement.

Our go-to-market strategy centers on attracting learners to our platform through world-class branded content and credentials and efficient marketing channels. We aim to support the career and educational goals of our learners by enhancing our personalized discovery experiences and localizing our recommendations. We also leverage insights derived from our learners to identify potential Enterprise prospects, complemented by our direct sales team, which finds and engages with potential business, academic, government, and other institutional customers.

Key Financial Results for First Quarter 2025

- Total revenue was $179.3 million, up 6% from $169.1 million a year ago.
- Gross profit was $97.9 million, compared to $89.5 million a year ago. Non-GAAP gross profit was $100.1 million, compared to $91.7 million a year ago.
- Net loss was $(7.8) million, compared to $(21.3) million a year ago. Non-GAAP net income was $19.7 million, compared to $11.9 million a year ago.
- Net loss per share was $(0.05), compared to $(0.14) a year ago. Non-GAAP net income per share was $0.12, compared to $0.07 a year ago.

- Adjusted EBITDA was $18.7 million, compared to $8.3 million a year ago.
- Net cash provided by operating activities was $33.5 million, compared to $24.5 million a year ago. Free Cash Flow was $25.3 million, compared to $18.1 million a year ago.

The foregoing highlights mention both GAAP and non-GAAP financial measures. For definitions of our non-GAAP financial measures and why we believe they are useful, please see “Non-GAAP Financial Measures” below.

Leadership Transition

Effective February 3, 2025, our Board of Directors (the “Board”) appointed Gregory Hart as our President, Chief Executive Officer (“CEO”), and a Class III director on our Board. Refer to Note 1, *Basis of Presentation and Description of Business*, and Note 11, *Employee Benefit Plans*, included in Part I, Item 1 of this Form 10-Q for additional information.

Reporting Segments

Our chief operating decision maker (“CODM”) is our CEO. In connection with Mr. Hart’s appointment as our CEO, we have simplified our business model and determined that our operations are conducted through two reporting segments: Consumer and Enterprise, which reflects how our CODM assesses performance and allocates resources. This updated structure enhances our CODM’s ability to allocate resources effectively and enables our CODM to make informed decisions that align with our strategic priorities, drive learner and customer satisfaction, and ultimately support business growth. This segment reporting change does not impact our Enterprise segment or consolidated results. We have recast all prior-period segment information to align with our current segment presentation. Refer to Note 13, *Segment and Geographic Information*, included in Part I, Item 1 of this Form 10-Q for additional information.

Restructuring and Expense Reduction Initiatives

During 2024 and the first quarter of 2025, in alignment with our efforts to refine our business strategy and hone our focus, we reduced our expenses and prioritized investments in key initiatives that are expected to drive long-term, sustainable growth.

In January 2024, we implemented a plan to restructure our Enterprise segment sales force and recognized restructuring related charges of $2.1 million during the three months ended March 31, 2024. Related cash payments of $1.8 million were made during the same period and reflected as cash used in operating activities within our Condensed Consolidated Statements of Cash Flows.

In October 2024, we announced a commitment to further reduce overall expenses, focus our efforts, and prioritize future investments in key initiatives that we expect will drive long-term, sustainable growth. This initiative resulted in a reduction of our global workforce by approximately 9%, creating capacity for targeted investments, as well as incremental profitability. In the fourth quarter of 2024, we recognized restructuring related charges of $6.8 million, mainly consisting of personnel expenses such as severance and benefits, and paid $2.7 million. During the three months ended March 31, 2025, we recognized incremental charges of $0.7 million, made cash payments of $5.2 million, and also recognized a reversal of stock-based compensation expense of $1.6 million due to the forfeiture of RSUs and stock options. As of March 31, 2025, an insignificant amount remained unpaid.

Factors Affecting Our Performance

We believe our business growth and future success depend on many factors. While each present significant opportunities for us, these factors also pose challenges that we must successfully address in order to sustain the growth of our business and enhance our results of operations.

Ability to innovate our products. Central to our strategy is the continued innovation of our products. We aim to expand access to world-class education and career opportunities by focusing on improvements in our learner experience, accelerating product development cycles, leveraging advanced AI technology and tools, and utilizing data-driven insights to continuously enhance the capabilities of our platform.

Ability to source in-demand content from our content creators. We believe that learners and enterprises are attracted to Coursera largely due to the quality, trust, and job-relevance of our wide selection of educational products provided by our content creators. We intend to accelerate our content engine, continuing to source and produce in-demand content and credentials in order to attract, convert, and retain learners and grow our revenue over time. By rapidly expanding our catalog of high-quality, job-relevant courses in collaboration with leading content creators, we aim to meet the evolving skill requirements of learners looking to transform their careers and support companies seeking to transform their businesses through their most crucial asset—their people.

We believe that our reach, scale, and reputation offer an attractive value proposition for leading organizations and institutions to partner with Coursera to develop and distribute content and credentials. To be the platform of choice for trusted content creators, we continue to invest in increasing the size and engagement of our learner base, enhancing the learning and authoring experience with AI-powered product innovations (e.g., Course Builder and Coach), and providing a suite of academic integrity features (e.g., identity verification and anti-plagiarism detection). Additionally, we are focused on improving our ability to provide personalized discovery, career guidance, and recommendations, driving higher conversion into paid offerings through efficient marketing efforts, and enhancing data-driven insights and tools available to learners, content creators, organizations, and institutions.

Ability to enhance our go-to-market capabilities. In order to grow our business, we must efficiently attract learners and Enterprise customers, offer a compelling value proposition, and increase engagement and retention on our platform over time. Our Consumer learners are vital to growing and maintaining our overall ecosystem, as they generate interest from content creators who value our global reach. To increase engagement and retention, we are focused on investing in platform capabilities that serve a broad audience. We aim to guide individual learners more effectively through personalized recommendations, localized discovery, and outcome-focused value propositions that can support the career and educational goals of our learners, as well as the workforce and skilling needs of our Enterprise customers.

Impact of mix shift over time. The mix of our business amongst our Consumer and Enterprise segments shifts from time to time, and these shifts have and will continue to affect our financial performance. We typically incur content costs in the form of a fee paid to our educator partners, determined as a percentage of total revenue generated from their content. In 2025, we began compensating our educator partners based on the level of learner engagement their content generates, rather than learner enrollment rates. We believe this change will improve learner outcomes by incentivizing our educator partners to produce highly engaging content, drive adoption of learning innovation, and account for the varied types of content we offer beyond courses.

Ability to convert free learners to paid learners. New learners typically start by engaging with free courses on our platform, which serve as a funnel to grow our total learner base and drive referrals to our other products, including our paid offerings. We engage our free learners through both our on-platform and off-platform marketing efforts, highlighting premium features that encourage conversion to our paid offerings, such as subscriptions. These efforts include campaigns targeting existing learners, personalized recommendations, and performance marketing on the internet.

Ability to expand our international footprint. We see a significant opportunity to expand into regions with large, underserved adult learning populations. As part of our growth strategy, we have invested and plan to continue investing in marketing, localized discovery, and translation efforts to support our international expansion and grow our customer and learner base. We have also been improving the front-end experience for our Consumer learners and tailoring our pricing and check-out options, including selling our offerings in foreign currency, in select markets. Our business results and operations will depend on our ability to effectively price and package our Consumer products to meet demand and manage foreign currency risk.

Ability to retain and expand our Enterprise customer relationships. Our efforts to grow our Enterprise segment are focused primarily on businesses and universities. We also continue to foster relationships with our government customers and strategically engage in providing scaled workforce development. We believe a significant opportunity exists to expand our customers' use of our platform by identifying new use cases that increase deployment sizes, as well as developing new innovation that can drive higher engagement and utilization. Our business and results of operations will depend, in part, on our ability to retain and expand platform usage within our existing customer base.

Results of Operations

The following table summarizes our results of operations, which are not necessarily indicative of results to be expected for future periods.

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Revenue	$ 179.3	$ 169.1
Cost of revenue[(1)]	81.4	79.6
Gross profit	97.9	89.5
Operating expenses:		
Research and development[(1)]	29.5	34.6
Sales and marketing[(1)]	56.8	57.6
General and administrative[(1)]	26.9	25.0
Restructuring related charges[(1)]	(0.9)	2.1
Total operating expenses	112.3	119.3
Loss from operations	(14.4)	(29.8)
Interest income, net	7.8	9.6
Other income (expense), net	0.3	(0.3)
Loss before income taxes	(6.3)	(20.5)
Income tax expense	1.5	0.8
Net loss	$ (7.8)	$ (21.3)

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

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Cost of revenue	$ 0.7	$ 0.7
Research and development	8.6	11.0
Sales and marketing	4.9	7.9
General and administrative	11.6	8.3
Restructuring related charges	(1.6)	—
Total stock-based compensation expense	$ 24.2	$ 27.9

The following table summarizes our results of operations as a percentage of revenue:

	Three Months Ended March 31,	
	2025	2024
Revenue	100.0 %	100.0 %
Cost of revenue	45.4	47.1
Gross profit	54.6	52.9
Operating expenses:		
Research and development	16.5	20.4
Sales and marketing	31.7	34.1
General and administrative	15.0	14.8
Restructuring related charges	(0.5)	1.2
Total operating expenses	62.7	70.5
Loss from operations	(8.1)	(17.6)
Interest income, net	4.4	5.7
Other income (expense), net	0.2	(0.2)
Loss before income taxes	(3.5)	(12.1)
Income tax expense	0.9	0.5
Net loss	(4.4)%	(12.6)%

Comparison of the Three Months Ended March 31, 2025 and 2024

Revenue

	Three Months Ended March 31,		Change	
	2025	2024	$	%
	(in millions, except percentages)			
Revenue:				
Consumer	$ 117.6	$ 111.6	$ 6.0	5 %
Enterprise	61.7	57.5	4.2	7 %
Total revenue	$ 179.3	$ 169.1	$ 10.2	6 %

Revenue for the three months ended March 31, 2025 was $179.3 million, an increase of $10.2 million, or 6%, compared to $169.1 million for the prior year quarter. Revenue growth was primarily driven by an 18% increase in the average total number of Registered Learners, resulting in more paid learners, and a 12% increase in the average total number of Paid Enterprise Customers. This growth was partially offset by lower paid learner and customer retention in our Consumer and Enterprise segments globally.

Consumer revenue for the three months ended March 31, 2025 increased by $6.0 million, or 5%, compared to the prior year quarter. This increase was primarily driven by an increase in subscriptions to Coursera Plus.

Enterprise revenue for the three months ended March 31, 2025 increased by $4.2 million, or 7%, compared to the prior year quarter, attributable to an increase in new customers. Acquisitions of new customers drove an increase of $9.1 million, offset by a $4.9 million decrease due to contraction of existing customer spend.

Cost of Revenue, Gross Profit, and Gross Margin

	Three Months Ended March 31,		Change	
	2025	2024	$	%
	(in millions, except percentages)			
Cost of revenue	$ 81.4	$ 79.6	$ 1.8	2 %
Gross profit	$ 97.9	$ 89.5	$ 8.4	9 %
Gross margin	54.6 %	52.9 %		

Cost of revenue for the three months ended March 31, 2025 was $81.4 million compared to $79.6 million for the prior year quarter. The primary driver of the increase was content costs, including a $1.0 million increase in amortization expense for content assets.

Content costs for the Consumer segment were $45.2 million and $45.0 million for the three months ended March 31, 2025 and 2024, with content costs as a percentage of revenue of 38.4% and 40.3% for the same periods. Content costs for the Enterprise segment were $18.5 million and $18.4 million for the three months ended March 31, 2025 and 2024, with content costs as a percentage of revenue of 30.0% and 31.9% for the same periods. Content costs as a percentage of revenue for both segments decreased due to higher learner engagement in content created under production arrangements with lower revenue share.

Gross margin was 54.6% for the three months ended March 31, 2025, an increase from 52.9% for the prior year quarter. The increase in gross margin was driven by lower content cost rates in both our Consumer and Enterprise segments.

Operating Expenses

	Three Months Ended March 31,		Change	
	2025	2024	$	%
	(in millions, except percentages)			
Operating expenses:				
Research and development	$ 29.5	$ 34.6	$ (5.1)	(15)%
Sales and marketing	56.8	57.6	(0.8)	(1)%
General and administrative	26.9	25.0	1.9	8 %
Restructuring related charges	(0.9)	2.1	(3.0)	nm
Total operating expenses	$ 112.3	$ 119.3	$ (7.0)	(6)%

Total operating expenses for the three months ended March 31, 2025 were $112.3 million compared to $119.3 million for the prior year quarter.

Research and development expenses for the three months ended March 31, 2025 were $29.5 million compared to $34.6 million for the prior year quarter. This decrease was primarily due to lower personnel-related expenses of $5.0 million, including $2.7 million in stock-based compensation expense, resulting from our October 2024 expense reduction initiative and from shifting resources to lower-cost regions.

Sales and marketing expenses for the three months ended March 31, 2025 were $56.8 million compared to $57.6 million for the prior year quarter. This decrease was primarily due to lower personnel-related expenses of $5.1 million, including $3.3 million in stock-based compensation expense, resulting from our 2024 expense reduction initiatives, and was largely offset by an increase in marketing and advertising expenses in our Consumer segment of $4.3 million.

General and administrative expenses for the three months ended March 31, 2025 were $26.9 million compared to $25.0 million for the prior year quarter. This increase was primarily due to an increase in personnel-related expenses of $4.0 million largely related to our CEO transition, including $3.1 million in stock-based compensation expense, and was partially offset by a decrease in office lease expenses of $1.1 million.

Restructuring related charges for the three months ended March 31, 2025, were $(0.9) million, primarily consisting of the reversal of stock-based compensation expense for the forfeitures of RSUs and stock options, mostly offset by personnel expenses, such as employee severance and benefits costs, related to our expense reduction initiative initiated in October 2024, compared to $2.1 million for the prior year quarter, primarily consisting of personnel expenses, such as employee severance and benefits costs, related to our expense reduction initiative initiated in January 2024. Refer to Note 14, *Restructuring Related Charges*, included in Part I, Item 1 of this Form 10-Q for further information.

Other Income (Expense)

	Three Months Ended March 31,		Change	
	2025	2024	$	%
	(in millions, except percentages)			
Interest income, net	$ 7.8	$ 9.6	$ (1.8)	(19)%
Other income (expense), net	0.3	(0.3)	0.6	nm
Total other income, net	$ 8.1	$ 9.3	$ (1.2)	(13)%

Total other income, net for the three months ended March 31, 2025 was primarily comprised of interest income earned on cash and cash equivalents. Interest income, net decreased during the three months ended March 31, 2025 compared to the prior year quarter due to lower interest rates and our average rate of return on investments in U.S. Treasury securities. Other income (expense), net for the three months ended March 31, 2025 and 2024 were primarily comprised of unrealized foreign exchange gains and losses. Our foreign subsidiaries' operating costs are typically denominated in the local currencies for each country and are subject to foreign currency fluctuations. We also maintain foreign-currency cash and cash equivalents in our foreign subsidiaries to support their ongoing operations.

Income Tax Expense

	Three Months Ended March 31,		Change	
	2025	2024	$	%
	(in millions, except percentages)			
Income tax expense	$ 1.5	$ 0.8	$ 0.7	88 %

Income tax expense for the three months ended March 31, 2025 and 2024 was primarily related to state and foreign taxes.

Liquidity and Capital Resources

Overview

As of March 31, 2025, our principal source of liquidity was cash and cash equivalents totaling $748.0 million.

Since our inception, we have financed our operations primarily through proceeds from the issuance of redeemable convertible preferred stock, our initial public offering completed in April 2021 (the "IPO"), and cash generated from business operations. Our principal uses of cash in the three months ended March 31, 2025 and 2024 include the funding of our business operations, investments in our internal-use software, purchases of content assets, and repurchases of our common stock.

We believe that our existing cash and cash equivalents, along with our expected cash flows from operations, will be sufficient to meet our cash needs for at least the next 12 months. Over the longer term, our future capital requirements will depend on many factors, including our growth rate, the timing and extent of our sales and marketing and research and development expenditures, the continuing market acceptance of our offerings, and any investments or acquisitions we may choose to pursue in the future. If we need to borrow funds or issue additional equity, we cannot assure you that any such additional financing will be available on terms acceptable to us, if at all. Moreover, any future borrowings may result in additional restrictions on our business and any issuance of additional equity would result in dilution to investors. If we are unable to raise additional capital when desired and on terms acceptable to us, our business, results of operations, and financial condition could be materially and adversely affected.

Contractual Obligations and Commitments

Except as discussed in Note 6, *Leases*, and Note 9, *Commitments and Contingencies*, included in Part I, Item 1 of this Form 10-Q, there were no material changes outside of the ordinary course of business in our commitments and contractual obligations for the three months ended March 31, 2025 as compared to those in "Management's Discussion and Analysis of Financial Condition and Results of Operations," set forth in our Form 10-K.

Share Repurchase Program

On April 26, 2023, the Board approved a share repurchase program with authorization to purchase up to $95 million of our common stock, excluding commissions and fees (the "Repurchase Program"). In May 2024, we completed the purchase authorization under the Repurchase Program, which was funded with our existing cash and cash equivalents.

During the three months ended March 31, 2024, we repurchased an aggregate of approximately 0.4 million shares of our common stock for $6.0 million under the aforementioned program.

Cash Flows

The following table summarizes our cash flows:

	Three Months Ended March 31,	
	2025	**2024**
	(in millions)	
Net cash provided by operating activities	$ 33.5	$ 24.5
Net cash provided by (used in) investing activities	(8.2)	59.6
Net cash used in financing activities	(5.0)	(15.0)
Net increase in cash, cash equivalents, and restricted cash	$ 20.3	$ 69.1

Operating Activities

Cash provided by operating activities mainly consists of our net loss adjusted for certain non-cash items, including stock-based compensation expense and depreciation and amortization, as well as the effect of changes in operating assets and liabilities during each period. Operating cash is primarily sourced by customer payments and is primarily used to pay for personnel-related expenses, educator partner fees, marketing and advertising expenses, third-party cloud infrastructure expenses, and indirect taxes.

For the three months ended March 31, 2025, net cash provided by operating activities was $33.5 million, primarily resulting from improved operating leverage and working capital driven by (i) deferred revenue growth, partially offset by (ii) the payout of annual and commission-based incentive compensation as well as severance related to our expense reduction initiative.

For the three months ended March 31, 2024, net cash provided by operating activities was $24.5 million, primarily driven by improved operating leverage and working capital, including (i) a decrease in accounts receivables due to higher cash collections and (ii) deferred revenue growth, partially offset by (iii) the payout of annual incentive compensation.

Cash provided by operating activities increased by $9.0 million during the three months ended March 31, 2025, compared to the three months ended March 31, 2024, primarily resulting from improved operating leverage.

Investing Activities

For the three months ended March 31, 2025, net cash used in investing activities was $8.2 million, due to (i) purchases of content assets, (ii) capitalized internal-use software costs, and (iii) purchases of property, equipment, and software.

For the three months ended March 31, 2024, net cash provided by investing activities was $59.6 million, primarily driven by (i) proceeds from maturities of marketable securities, partially offset by (ii) capitalized internal-use software costs, (iii) purchases of content assets, and (iv) purchases of property, equipment and software.

Financing Activities

For the three months ended March 31, 2025, net cash used in financing activities was $5.0 million, primarily due to (i) payments for tax withholding on vesting of RSUs, partially offset by (ii) proceeds from the exercise of stock options.

For the three months ended March 31, 2024, net cash used in financing activities was $15.0 million, primarily driven by (i) payments for tax withholdings on vesting of RSU and (ii) payments for repurchases of common stock under the Repurchase Program, partially offset by (iii) proceeds from the exercise of stock options.

Key Business Metrics and Non-GAAP Financial Measures

We monitor the key business metrics and non-GAAP financial measures set forth below to help us evaluate our business and growth trends, establish budgets, measure the effectiveness of our sales and marketing efforts, and assess operational efficiencies. These key business metrics and non-GAAP financial measures are presented for supplemental informational purposes only, should not be considered a substitute for financial information presented in accordance with GAAP, and may differ from similarly titled metrics or measures presented by other companies. A reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure is provided in "Non-GAAP Financial Measures" below.

Key Business Metrics

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. We believe that the number of Registered Learners is an important indicator of the growth of our business and future revenue trends.

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
New Registered Learners	7.1	6.6

	March 31,	
	2025	2024
	(in millions, except percentages)	
Total Registered Learners	175.3	148.5
Total Registered Learners year-over-year ("YoY") growth	18 %	

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.

For the three months ended March 31, 2025, approximately 94% of Enterprise revenue was generated from our Paid Enterprise Customers. We believe that the number of Paid Enterprise Customers and our ability to increase this number is an important indicator of the growth of our Enterprise segment and future Enterprise segment revenue trends.

	March 31,	
	2025	**2024**
Paid Enterprise Customers	1,651	1,480
YoY growth	12 %	

Net Retention Rate for Paid Enterprise Customers

We disclose Net Retention Rate for Paid Enterprise Customers as a supplemental measure of our Enterprise revenue growth. We believe Net Retention Rate for Paid Enterprise Customers is an important metric that provides insight into the long-term value of our subscription agreements and our ability to retain and grow revenue from our 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.

Our Net Retention Rate for Paid Enterprise Customers was 91% as of March 31, 2025 compared to 94% as of March 31, 2024. The decrease was primarily the result of customer attrition in North America, including certain large government contracts. Our Net Retention Rate for Paid Enterprise Customers is expected to fluctuate in future periods due to a number of factors, including the growth of our revenue base, the penetration within our Paid Enterprise Customer base, expansion of products and features, and our ability to retain and expand our Paid Enterprise Customers.

	Three Months Ended March 31,	
	2025	**2024**
Net Retention Rate for Paid Enterprise Customers	91 %	94 %
YoY change	(3)%	

Segment Revenue

We generate revenue from two reportable segments: Consumer and Enterprise.

	Three Months Ended March 31,	
	2025	**2024**
	(in millions, except percentages)	
Consumer revenue	$ 117.6	$ 111.6
YoY growth	5 %	
Enterprise revenue	$ 61.7	$ 57.5
YoY growth	7 %	
Total revenue	$ 179.3	$ 169.1
YoY growth	6 %	

Segment Gross Profit

We monitor segment gross profit as a key metric to help us evaluate the financial performance of our individual segments. Segment gross profit represents segment revenue less segment content costs paid to educator partners; segment gross margin is the quotient of segment gross profit and segment revenue. Given that content costs are the largest individual cost of our revenue, and that these costs contractually vary as a percentage of revenue between our Consumer and Enterprise offerings, mix shifts between our two segments is a significant factor of our overall gross margin, financial performance, and profitability.

	Three Months Ended March 31,	
	2025	2024
	(in millions, except percentages)	
Consumer gross profit	$ 72.4	$ 66.6
Consumer segment gross margin %	61.6 %	59.7 %
Enterprise gross profit	$ 43.2	$ 39.1
Enterprise segment gross margin %	70.0 %	68.0 %

Consumer segment gross margin increased to 61.6% in the three months ended March 31, 2025 from 59.7% in the three months ended March 31, 2024. Enterprise segment gross margin increased to 70.0% from 68.0% when comparing those same periods. The improvements in gross margin were primarily the result of lower content cost rates in both our Consumer and Enterprise segments, for the three months ended March 31, 2025, due to higher learner engagement in content created under new production arrangements with lower revenue share.

Non-GAAP Financial Measures

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

We define non-GAAP gross profit and non-GAAP net income as GAAP gross profit and GAAP net loss excluding: (i) stock-based compensation expense; (ii) amortization of stock-based compensation expense capitalized as internal-use software costs; (iii) payroll tax expense related to stock-based compensation; (iv) costs and settlement (gains) losses related to significant and non-recurring legal matters, net of insurance recoveries; and (v) 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. We believe the presentation of these adjusted operating results provides useful supplemental information to investors and facilitates the analysis and comparison of our operating results across reporting periods.

The following tables provide a reconciliation of GAAP gross profit and GAAP net loss, the most directly comparable GAAP financial measure, to non-GAAP gross profit and non-GAAP net income:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Gross profit	$ 97.9	$ 89.5
Stock-based compensation expense	0.7	0.7
Amortization of stock-based compensation capitalized as internal-use software costs	1.5	1.5
Non-GAAP gross profit	$ 100.1	$ 91.7

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Net loss	$ (7.8)	$ (21.3)
Stock-based compensation expense	25.8	27.9
Amortization of stock-based compensation capitalized as internal-use software costs	1.5	1.5
Payroll tax expense related to stock-based compensation	0.9	1.7
Significant and non-recurring legal matters	0.2	—
Restructuring related charges	(0.9)	2.1
Non-GAAP net income	$ 19.7	$ 11.9
Weighted-average shares used in computing net loss per share—basic	160.7	156.4
Effect of dilutive securities	4.0	11.9
Weighted-average shares used in computing non-GAAP net income per share—diluted	164.7	168.3
Net loss per share—basic and diluted	$ (0.05)	$ (0.14)
Non-GAAP net income per share—diluted	$ 0.12	$ 0.07

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA and Adjusted EBITDA Margin 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.

We define Adjusted EBITDA as our GAAP net loss excluding: (i) depreciation and amortization; (ii) interest income, net; (iii) income tax expense; (iv) other (income) expense, net; (v) stock-based compensation expense; (vi) payroll tax expense related to stock-based compensation; (vii) costs and settlement (gains) losses related to significant and non-recurring legal matters, net of insurance recoveries; and (viii) restructuring related charges. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by revenue.

The following table provides a reconciliation of net loss, the most directly comparable GAAP financial measure, to Adjusted EBITDA:

	Three Months Ended March 31,	
	2025	2024
	(in millions, except percentages)	
Net loss	$ (7.8)	$ (21.3)
Depreciation and amortization	7.1	6.4
Interest income, net	(7.8)	(9.6)
Income tax expense	1.5	0.8
Other (income) expense, net	(0.3)	0.3
Stock-based compensation expense	25.8	27.9
Payroll tax expense related to stock-based compensation	0.9	1.7
Significant and non-recurring legal matters	0.2	—
Restructuring related charges	(0.9)	2.1
Adjusted EBITDA	$ 18.7	$ 8.3
Net loss margin	(4.4)%	(12.6)%
Adjusted EBITDA Margin	10.4 %	4.9 %

Free Cash Flow

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.

We consider Free Cash Flow to be a liquidity measure that provides useful information to management and investors in understanding and evaluating our liquidity and future ability to generate cash that can be used for strategic opportunities, including investing in our business and strengthening our balance sheet, but it is not intended to represent the residual cash flow available for discretionary expenditures.

The following table provides a reconciliation of net cash provided by operating activities, the most directly comparable GAAP financial measure, to Free Cash Flow:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Net cash provided by operating activities	$ 33.5	$ 24.5
Less: purchases of content assets	(4.1)	(2.2)
Less: capitalized internal-use software costs	(3.6)	(4.1)
Less: purchases of property, equipment, and software	(0.5)	(0.1)
Free Cash Flow	$ 25.3	$ 18.1

Critical Accounting Estimates

Our Condensed Consolidated Financial Statements (Unaudited) and the related notes thereto included elsewhere in this Form 10-Q have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). The preparation of these Condensed Consolidated Financial Statements (Unaudited) requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. We evaluate our estimates and assumptions on an ongoing basis. Actual results may differ from these estimates. To the extent that there are material differences between these estimates and our actual results, our future financial statements will be affected.

There have been no material changes to our critical accounting estimates as compared to those described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" set forth in our Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We have operations both within the U.S. and internationally, and we are exposed to market risks in the ordinary course of our business, including the effects of interest rate changes and foreign currency fluctuations. Information relating to quantitative and qualitative disclosures about these market risks is described below.

Interest Rate Risk

Our exposure to interest rate changes relates primarily to our investment portfolio. Although we are exposed to global interest rate fluctuations, U.S. interest rate fluctuations tend to have the greatest effect on our interest income, impacting the interest earned on our cash and cash equivalents as well as the fair value of the underlying securities.

Our investment policy and strategy are focused on preserving capital and supporting our liquidity requirements. We use a combination of internal and external management to execute our investment strategy and achieve our investment objectives. We invest in highly-rated securities, such as U.S. Treasury securities and U.S. government-backed money market funds, with maturities of one year or less. Our holdings as of March 31, 2025 and December 31, 2024 consist of securities with remaining maturities of three months or less.

A hypothetical 100 basis point increase or decrease in interest rates as of March 31, 2025 and 2024 would have resulted in (i) a $0.7 million and $0.5 million incremental decline or improvement in the fair value of our portfolio, which would only be realized if we sold the investments prior to their maturities, and (ii) a $7.5 million and $7.3 million increase or decrease in our annualized interest income based on the balance of our cash and cash equivalents for the periods presented.

Foreign Currency Risk

Our reporting currency and the functional currency of our wholly owned foreign subsidiaries is the U.S. dollar. As the majority of our sales are denominated in U.S. dollars or collected in advance of services being provided, our revenue does not have significant exposure to foreign currency risk. Conversely, our operating expenses are typically denominated in the local currencies of the countries in which our operations are located. These can be subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the British pound sterling, Indian rupee, and Canadian dollar.

We also maintain foreign-currency denominated cash and cash equivalents in our foreign entities to support their ongoing operations. Fluctuations in foreign currency exchange rates may cause us to recognize transaction gains and losses in our Condensed Consolidated Statements of Operations. To date, we have not entered into any hedging arrangements with respect to foreign currency risk or other derivative financial instruments, although we may choose to do so in the future.

A 10% increase or decrease in average foreign exchange rates relative to the U.S. dollar would have resulted in an impact of $1.1 million and $0.5 million on our loss before income taxes in our Condensed Consolidated Financial Statements (Unaudited) for the three months ended March 31, 2025 and 2024.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain “disclosure controls and procedures,” as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”), that are designed to ensure information required to be disclosed in our reports that we file or furnish pursuant to the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer (our principal executive officer) and Chief Financial Officer (our principal financial officer), as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by 13a-15(b) under the Exchange Act, we carried out an evaluation, under the supervision and the participation of our management, including our Chief Executive Officer (our principal executive officer) and Chief Financial Officer (our principal financial officer), of the effectiveness of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and 15d-15(e) promulgated under the Exchange Act, as of the end of the period covered by this Quarterly Report on Form 10-Q (“Form 10-Q”). Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Form 10-Q, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

See discussion of legal proceedings in Note 9, *Commitments and Contingencies*, in Item 1 of Part I of this Quarterly Report on Form 10-Q ("Form 10-Q"), which is incorporated by reference into this Item 1 of Part II.

Item 1A. Risk Factors

Risk Factors Summary

Our business is subject to numerous risks, as more fully described in the section entitled "Risk Factors" below and elsewhere in this Form 10-Q. In particular, risks associated with our business include, among others, the following, any of which could have an adverse effect on our business, financial condition, results of operations, or prospects:

- our historical growth may not be indicative of our future growth and our growth may be adversely impacted by macroeconomic conditions;
- fluctuations in our quarterly and annual revenue and operating results could cause our stock price to fluctuate and the value of your investment to decline;
- the evolution of our offerings coupled with our limited operating history makes it difficult to predict our future financial and operating results;
- the nascency and market adoption of online learning solutions and generative AI, which may not grow or evolve as we expect, or lead to increased demand for our offerings;
- changes in contractual terms with our educator partners, including with respect to pricing or contract length;
- our ability to maintain and expand our partnerships with our educator partners;
- our ability to attract and retain learners, including converting freemium learners to paid learners;
- our ability to adapt and respond effectively to rapidly changing technology, evolving industry standards, and changing customer needs or requirements;
- our ability to manage the growth of our business both in terms of scale and complexity;
- changes in our contract terms, including our pricing models, for our offerings;
- our ability to successfully expand our international operations, including growing our worldwide educator partner and learner base, and to manage the risks presented by such operations;
- our ability to launch new offerings and services to learners to grow our business;
- our ability to achieve or maintain profitability in the future;
- our ability to improve operational efficiencies and operating costs, including through restructuring and expense reduction initiatives;
- our ability to generate sufficient revenue from new offerings to offset our costs of the offerings;
- our ability to compete effectively;
- our ability to successfully execute acquisitions or other strategic transactions;
- our ability to attract and retain key personnel and manage leadership transitions;
- the impact of potential changes in laws and regulations applicable to us, our educator partners, learners, and customers, including changes to government spending policies or budget priorities that impact our business;
- our, and our educator partners', ability to comply with international, federal, and state education laws and regulations, including applicable state authorizations for their programs;
- our educator partners' ability to obtain timely approval from applicable regulatory agencies to offer new programs, make substantive changes to existing programs, or expand programs into or within certain jurisdictions;
- our educator partners' ability to maintain institutional or programmatic accreditation for their programs;

- any changes to the validation or applicability of the United States ("U.S.") Department of Education "Dear Colleague" Letter ("DCL"), on which our degree programs rely;
- any disclosure of personal, confidential, or otherwise sensitive information about our learners, customers, educator partners, or their employees, whether due to cyberattack or otherwise;
- any failure to obtain, maintain, protect, and enforce our intellectual property ("IP") and proprietary rights and successfully defend against claims of infringement, misappropriation, or other violations of third-party IP;
- any disruption or failure of our platform or operations, including as a result of geopolitical crises, natural disasters, public health crises, or other catastrophic events;
- litigation or regulatory proceedings could adversely impact our business and financial condition, including exposing us to significant monetary damages or limiting our ability to operate our business; and
- risks related to our status as a Delaware public benefit corporation ("PBC") or Certified B Corporation that may negatively impact our financial performance or reputation.

Risks Related to Our Business and Industry

Our historical growth may not be indicative of our future growth, and our revenue may not grow or could decline compared to prior years due to a variety of factors, including macroeconomic conditions.

Our historical growth may not be indicative of our future growth, and our revenue may not grow or could decline compared to prior years. Accordingly, you should not rely on our revenue for any previous annual or quarterly period as any indication of our revenue or revenue growth in future periods. Our revenue growth rates may decline compared to prior years due to a variety of factors, including slowing demand for our platform or offerings, slowing growth of our sales, increasing competition, increasing regulation, a decrease in the growth of our overall market or market saturation, and our failure to capitalize on growth opportunities.

In addition, our growth may be negatively impacted by inflation and macroeconomic uncertainty. If macroeconomic uncertainty is prolonged or economic conditions worsen, including due to ongoing trade disputes and geopolitical tensions between the U.S. and other countries, discretionary spending by current and prospective learners and customers may be adversely impacted, leading to reduced demand for our offerings, a loss of learners or customers, longer payment cycles, and difficulties in collecting accounts receivable. Moreover, anti-U.S. sentiment or campaigns due to geopolitical tensions may cause learners and customers to cancel, reduce, or delay their spending with U.S.-based companies, resulting in learner, customer, and educator partner attrition, which could materially and adversely affect our business, financial condition, and results of operations.

Our quarterly and annual revenue and operating results have historically fluctuated from period to period, and may do so in the future, which could cause our stock price to fluctuate and the value of your investment to decline.

Our quarterly and annual revenue and operating results have historically fluctuated from period to period, and our future operating results may vary significantly from quarter to quarter due to a variety of factors, many of which are beyond our control. You should not rely on period-to-period comparisons of our operating results as an indication of our future performance. Factors that may cause fluctuations in our quarterly operating results include, but are not limited to, the following:

- our ability to maintain existing customers and attract new customers, including businesses, government organizations, academic institutions, and other organizations that subscribe to our Enterprise platform, as well as learners who access the content and credentialing programs available on our platform;
- our ability to continue to offer compelling content and degrees or other credentialing programs created by our educator partners;
- changes in, or trends affecting, subscriptions to our platform from businesses, government organizations, academic institutions, and other organizations;
- changes in, or trends affecting, learner enrollment and retention levels, including with respect to learners electing to access our paid offerings;
- our ability to increase and manage the growth of our international operations, including our international learner and customer base, and our ability to manage the risks associated therewith;

- the timing of costs we incur, the timing and amount of revenue generated, the pricing models, or the payment terms associated with launching new content or offerings;
- trends and factors impacting the demand for, and acceptance of, online learning and credentialing programs and the prices consumers and businesses are willing to pay for such programs;
- changes in, or trends affecting, the mix of educator partners, including academic institutions, offering open online courses only and those offering certification, degree, or other credentialing programs;
- changes in the rate, volume, quality, and demand for new content and credentialing programs created and offered by our educator partners on our platform;
- changes in the terms of our existing educator partner agreements and the timing and terms of any new educator partner agreements;
- the timing and amount of our sales and marketing expenses;
- the timing and breadth of platform subscription discounts and promotions;
- costs necessary to improve and maintain our platform and compete on the basis of emerging technologies and functionality;
- changes in our key metrics or the methods used to calculate our key metrics;
- revenue mix shifts between our segments and seasonality, including seasonal engagement patterns of learners and customers, which may vary from quarter to quarter or year to year, and seasonal operating practices or engagement patterns of educator partners resulting from academic calendars or fiscal years that may differ from our own;
- changes in laws, regulations, or accounting principles that impact our business; and
- general political, economic, or market conditions and events affecting any of the above, including the impact of inflation, currency fluctuations, tariffs, labor strikes or other widespread work stoppages, the political environment, changes in government spending policies or priorities, geopolitical tensions or hostilities, such as ongoing trade disputes and geopolitical tensions between the U.S. and other countries, the conflicts in Ukraine and the Middle East, supply chain disruptions, natural disasters, public health crises, or other catastrophic events.

These and other factors may cause our revenue and operating results to fall below our expectations or the expectations of market analysts and investors in future periods, which could cause our stock price to decline substantially. Any decline in our stock price would cause the value of your investment to decline.

Our offerings continue to evolve, and given our limited operating history, predicting our future financial and operating results may be affected by a number of uncertainties.

As a result of the evolving scope of our business and offerings and our limited operating history, our forecasts of future operating results may be less accurate. As we anticipate market opportunities, risks, or other changes, we may adjust our business model or offerings. However, we cannot guarantee that such changes will be accepted by our learners, educator partners, or Enterprise customers, or that they will not result in lower revenues, particularly in the period immediately following the changes. In such cases, we may not realize the anticipated financial benefits of such changes in the amounts we anticipate, on the expected timeline, or at all. If we do not successfully manage our evolving business model and offerings, our operating and financial results may differ materially from our expectations, and our business and stock price may suffer. Our forecasts are subject to a number of uncertainties, including those discussed in this “Risk Factors” section and elsewhere in this Form 10-Q.

Market adoption of online learning solutions and generative AI are relatively new and may not grow, evolve as we expect, or lead to increased demand for our offerings, which may harm our business and results of operations.

Our future success will depend, in part, on the growth of demand for online learning solutions. The market for online learning solutions is less mature than the market for in-person learning and training, which many businesses currently utilize. These businesses may be slow or unwilling to migrate from these legacy approaches. As such, it is difficult to predict learner, customer, or educator partner demand to use or be on our platform, their adoption and renewal rates, the rate at which they expand their engagement with our platform, the size and growth rate of the market for our platform, the entry of competitive offerings into the market, or the success of existing competitive offerings. Additionally, while we believe that generative AI technology will lead to increased demand for online learning solutions given its potentially disruptive impact on society, governments, businesses, and academic institutions contending with the need for their workforces and learners to reskill and improve productivity and agility, these expected societal changes and the resulting increased demand for our online learning offerings may not materialize as expected or may take longer than anticipated. Also, there can be no assurance that generative AI technology will not displace or otherwise adversely impact the demand for online learning solutions, including our offerings.

Furthermore, even if educators and enterprises want to adopt an online learning solution, a full transition to this type of learning solution could require a substantial amount of time and resources or could be delayed due to budget constraints, weakening economic conditions, or other factors. Even if market demand for online learning solutions generally increases, we cannot ensure that adoption of our platform will also increase. If the market for online learning solutions does not grow as we expect, or our platform does not achieve widespread adoption, it could result in reduced customer spending, learner and partner attrition, and decreased revenue, any of which would adversely affect our business and results of operations.

If we change the contract terms with our educator partners, including pricing or contract length, it could materially and adversely affect our business, financial condition, and results of operations.

We collaborate with our educator partners to deliver a broad portfolio of educational content and credentials on our platform. For our Enterprise offerings and a significant portion of our Consumer offerings, we incur content costs in the form of fees paid to educator partners. In addition, the portion of our Consumer revenue attributable to our degree programs is determined based on a percentage of the total tuition paid by students enrolled in degree programs. As a result, changes in university tuition rates, increases in content costs, or other changes in our educator partner agreements could significantly impact our revenue, gross profit, and operating results. For example, starting in 2025, we updated our revenue share allocation arrangements to compensate our educator partners based on the level of learner engagement their content generates, rather than learner enrollment rates. We have experienced opposition to our content fee terms, and we anticipate similar challenges in the future. Further, we have in the past and may in the future change the terms of these agreements, including the pricing terms or contract length, due to competitive, regulatory, or other reasons. Any significant change in our pricing, content costs, or other contract terms with our educator partners could impact whether educator partners continue to partner with us and materially and adversely affect our business, financial condition, and results of operations.

If we fail to establish, maintain, and expand our educator partner relationships, our ability to grow our business and revenue will suffer.

The success of our business depends in large part on the development, maintenance, and volume of engaging educational content and credentialing programs in collaboration with our educator partners. We have faced, and may continue to face challenges in establishing, maintaining, and expanding these relationships. For instance, our educator partners may need to invest significant time and resources to modify or develop their content and credentialing programs to suit an online learning environment. Online degree programs delivered through academic institutions are not yet widely accepted. Administrators and faculty members may feel they have less control over the educational process and be concerned about the effectiveness of asynchronous learning, potential misuse of generative AI tools by learners to cheat, and the challenge of maintaining on-campus quality standards in an online format. There can be no assurance that online degree programs, such as those offered on our platform, will ever achieve significant market acceptance, and universities may therefore decline to engage with our platform. Further, if we were to lose a significant number of educator partners, especially those who provide a significant portion of the content and programs on our platform, or if we can no longer offer certain high-demand content or programs, our reputation, growth, and revenue would be materially and adversely impacted. For the three months ended March 31, 2025, we generated approximately 25% of our total revenue from the content and credentialing programs of our top five educator partners. Total revenue includes both revenue directly attributable to an educator partner and revenue that we do not consider directly attributable, such as revenue from site-wide subscriptions or our Coursera for Teams offering. The loss of or reduction in content and programs from these and other educator partners could negatively affect our ability to sustain or generate revenue or reach future profitability, and would materially and adversely affect our business, financial condition, or results of operation if we are unable to timely secure comparable educational content and credentialing programs at a favorable cost from other educator partners.

Our ability to grow and improve our financial performance depends heavily on our ability to attract and retain learners, including converting our freemium learners to paid learners.

Our revenue growth objectives depend on our ability to attract and retain paid learners. We aim to serve these learners' needs by providing compelling credentialing programs and high-demand content that is developed in collaboration with our educator partners. We also dedicate a portion of our spend on marketing efforts to attract potential learners to our platform. Many learners initially sign up for the freemium version of our platform or free trials. If learners do not expand beyond our free offerings or certain use cases, our financial results may be adversely affected.

We also provide some offerings, such as certificates, at a substantial discount to learners who demonstrate financial need, which may harm our revenue growth. It is critical for our success that learners renew their subscriptions and expand their relationships with us. There is no obligation for our learners to renew, and they may choose not to do so, which could negatively impact our revenue.

The following factors, many of which are largely outside of our control, may prevent us from attracting, converting, upselling, and retaining learners in a cost-effective manner or at all:

- *Negative perceptions about online learning.* Online education programs may not be successful or operate efficiently, which could create the perception that online education in general is ineffective. Learners may also be reluctant to enroll in online programs due to concerns about the quality of the learning experience, potential employer hesitation to hire learners who received their education or credentials online, or reluctance from organizations granting professional licenses or certifications to grant them based on credentials, including degrees, earned through online education or training. Further, concerns about the potential misuse of generative AI tools by learners to generate their coursework may be heightened with respect to online programs.
- *Reduced support from educator partners.* If educator partners cease to maintain or offer new and compelling, credentialing programs or content, or limit our ability to promote their content or programs, learners may reduce or terminate their use of our platform.
- *Harm to educator partner reputation.* Many factors affecting our educator partners' reputations are beyond our control and can change over time, including their academic performance and ranking among academic institutions, as well as their status with respect to specific degrees, certifications, or other credentialing programs.
- *Lack of interest in the offerings, features, services, certifications, degrees, or other credentials offered on our platform.* We may encounter difficulties attracting learners to use our offerings, features, and services, or enroll in credentialing programs that are not in demand due to shifting employer or societal preferences and priorities, or that are in emerging or unproven fields.

- *Learner dissatisfacti*on. Learner dissatisfaction can have a negative impact on learner retention. This dissatisfaction can stem from various factors, including the quality of the offerings, features, services, course content, and presentation. Changes to the availability or sequencing of course content or the course presenters can also contribute to dissatisfaction. Additionally, changing views of the value of our educator partners' credentialing programs and content offered, as well as perceptions of employment prospects following completion of a program on our platform, can influence learner satisfaction levels. Learner dissatisfaction that is shared via word of mouth or online platforms may also negatively affect the perceptions of potential new learners and negatively impact our learner acquisition efforts.
- *Ineffective marketing efforts.* Our marketing efforts use various channels (e.g., search engine optimization, television, affiliates, paid search, and custom website development and deployment), publication of content related to higher education and adult learning, career paths, our platform, and our offerings, and we rely on advertising through a limited number of third-party internet advertising platforms to direct traffic to, and recruit new learners for, our offerings. Changes in the way these platforms operate, whether due to changes in law, the practices of mobile operating system providers, or otherwise, or their advertising prices, data use practices, or other terms, have impacted the cost and efficiency of our learner acquisition efforts in the past and could in the future make marketing our offerings more expensive, less effective, or more difficult. In addition, the elimination of a particular medium or platform on which we advertise or changes in advertising practices or advertising spending fluctuations by our largest educator partners have had, and may in the future have, an adverse impact on directing traffic to our offerings and recruiting new learners on a cost-effective basis. Any of the foregoing risks could have a material adverse effect on our business, results of operations, and financial condition.
- *Changes in search engine methodologies.* We depend in part on various search engines to direct a significant amount of traffic to our website. Our ability to influence the number of learners directed to our website is not entirely within our control. Our website has experienced fluctuations in search result rankings in the past, and we anticipate similar fluctuations in the future. Our competitors' search engine optimization efforts may result in their websites receiving a higher search result page ranking than ours, or search engines could revise their methodologies to refine their search results or incorporate AI in ways that we cannot predict, which could adversely affect the placement of our search result page ranking, each of which could reduce the number of learners who visit these websites. We may not be able to replace this traffic, and any attempt to do so may require us to increase our sales and marketing expenditures, which may not be offset by additional revenue and could adversely affect our operating results.
- *Lack of financial resources for learners.* Developments that reduce the availability of financial aid for higher education or reduce disposable income for potential learners (including macroeconomic developments such as inflation, currency and interest rate fluctuations, recessions, unemployment, or pandemics) could impair learners' abilities to meet their financial obligations, which in turn could result in reduced enrollment and harm our ability to generate revenue.
- *General economic conditions.* Enrollment in the courses and credentialing programs offered on our platform may be affected by changes in the U.S. economy and by global economic conditions. For example, an improvement in economic conditions may reduce demand for adult learning as potential learners may find adequate employment without additional education. Conversely, a decline in employment opportunities or economic conditions may reduce employers' willingness to sponsor adult learning opportunities for employees given a lack of employer need for enhanced skill sets or an inability to fund such programs. This could discourage learners from pursuing further education due to an inability to afford our programs or a perception that the financial investment may not result in increased earning potential or improved employment opportunities. In addition, if current macroeconomic conditions persist or deteriorate, our ability to attract and retain paid learners in our Consumer segment, as well as current and prospective customers in our Enterprise segment, or to maintain and grow relationships with our educator partners, could be adversely affected by reductions or resources, shifting priorities, or delays in decision-making.

Any of these factors could reduce enrollment and retention and could cause our costs associated with attracting and retaining learners to increase, which could materially harm our ability to increase our revenue or achieve profitability. These developments could also harm our reputation and make it more difficult for us to maintain our current content and credentialing programs and engage our educator partners for new course content or other offerings, which in turn may negatively impact our ability to expand our business and improve our financial performance.

If we fail to adapt and respond effectively to rapidly changing technology, evolving industry standards, and changing customer needs or requirements, our platform may become less competitive.

Our future success depends on our ability to adapt and enhance our platform. To attract new learners, customers, and educator partners and increase revenue from our existing base, we will need to continuously enhance and improve our offerings to meet their needs at prices that our learners and customers are willing to pay. Such efforts will require adding new functionality and responding to technological advancements, which will increase our costs of research and development as well as sales and marketing. If we are unable to develop educational content that addresses learners' and customers' needs, or enhance and improve our platform in a timely manner, or if we fail to provide adequate safeguards and quality assurance related to the use of new technological advancements, we may not be able to maintain or increase market acceptance and use of our platform. Further, some of our competitors expend a considerably greater amount of funds on their research and development programs, and their sales and marketing practices, and those that do not may be acquired by larger companies that could allocate greater resources to our competitors' research and development programs. If we fail to maintain adequate research and development resources or compete effectively with the research and development programs of our competitors, our business could be harmed.

Our ability to grow also depends on our ability to anticipate and effectively respond to threats and opportunities from future disruptive technologies and developments. If new technologies, including AI-driven advancements, emerge that can discover or deliver educational programs more effectively, efficiently, conveniently, securely, or at lower costs, enhancing plagiarism prevention, learner identity validation, or content relevance, and if we, or our educator partners, fail to adopt such technologies promptly, our competitiveness could suffer. Delayed adoption or competitor advances in cost-effective technologies or offerings could materially or adversely impact our operating results, growth, and financial condition.

If we fail to manage the growth of our business both in terms of scale and complexity, our financial results, including profit margins and financial condition, could be adversely affected.

We have experienced growth and demand for our product offerings in both our Consumer and Enterprise segments. The expansion of our business, ecosystem, and offerings places a significant strain on our administrative and operational infrastructure, facilities, and other resources. Managing the future growth of our business will require us to effectively scale our operations, allocate resources, and control costs. This includes continuing to improve our sales and marketing efficiency, content development time and costs, and technology, finance, and administration teams support globally, as well as our infrastructure and platform capabilities to serve our growing learner base. We will also be required to refine our operational, financial, and management controls and reporting systems and procedures. We will need to continue to expand our relationships with businesses, government organizations, academic institutions, and other organizations, enhance our platform and technology-enabled services, increase the volume of new educational content and credentialing programs developed by our educator partners, attract a higher volume of learners and customers in a cost-effective manner, deploy preferred local payment methods and pricing models, satisfy our existing educator partners' requirements, respond to competitive challenges, and otherwise execute our business plan. Although our business has experienced significant growth in past years, we cannot provide any assurance that our business or revenue will continue to grow at the same rate or at all in the future.

The scalability and flexibility of our platforms depend on the functionality of our technology and network infrastructure, as well as our ability to handle increased traffic and demand for bandwidth. The growth in the number of learners and customers using our platform, coupled with the increase in educational content available through our platform, has led to an increase in the amount of data and the number of requests that we process.

Our ability to effectively manage the growth of our business will depend on a number of factors, including our ability to:

- effectively recruit, integrate, train, and motivate new employees while retaining high-performing employees that help us effectively execute our business plan;
- continue to improve our operational, financial, and management controls;
- protect and further develop our strategic assets, including our IP rights; and
- make sound business decisions in light of the scrutiny associated with operating as a public company.

These activities will require significant capital expenditures and allocation of valuable management and employee resources. We may be unable to effectively manage any future growth in an efficient, cost-effective, or timely manner, or at all, which could negatively affect our financial results and profit margins. Any failure to successfully implement systems enhancements and improvements could negatively impact our ability to manage our expected growth, ensure uninterrupted operation of key business systems, and comply with the rules and regulations that are applicable to public reporting companies. Moreover, if we do not effectively manage the growth of our business and operations globally, the quality of our platform could suffer, which would negatively affect our reputation, results of operations, and overall business.

We may change the contract terms, including our pricing models, for our offerings, which in turn could impact our operating results.

We have limited experience with respect to determining the optimal prices and contract length for our offerings, and as a result, we have in the past, and expect that we may in the future, change our pricing models or target contract length from time to time, which could impact our operating and financial results. We continue to adjust our pricing models and conduct pricing experiments as we gain experience with our offerings. From time-to-time, we test pricing localization to account for market segmentation and conduct other pricing experiments. As the market for our learning platform grows (if ever), as new competitors introduce competitive applications or services, or as we enter into new international markets, we may be unable to attract new learners or customers at the same price or based on the same pricing models we have historically used, or for contract lengths consistent with our historical averages. In addition, as we develop and roll out new offerings, or expand existing offerings, we will need to develop pricing and contract models for these offerings that appeal to learners and customers over time, and we may not be successful in doing so. Pricing and contract length decisions may also impact the mix of adoption and retention among our offerings and negatively impact our overall revenue. Competition may require us to make substantial price concessions or accept shorter contract durations, or other unfavorable contract terms. Our revenue and financial position may be adversely affected by any of the foregoing, and we may have increased difficulty achieving profitability.

Our current operations are international in scope, and we plan to expand our international operations, which exposes us to related inherent risks.

Operating in international markets requires significant resources and management attention and subjects us to regulatory, economic, contractual, reputational, and political risks that are different from those in the U.S. We have employees in various countries, with the largest employee populations in the U.S., India, Canada, and the United Kingdom, and we have retained professional employer organizations and staffing agencies to engage personnel in certain international locations. Our international operations subject us to the compensation and benefits regulations of those jurisdictions, as well as other employer duties and obligations, that differ from the U.S. Further, enrollments of learners from other countries require us to comply with international data privacy regulations of those countries. Failure to comply with international regulations or to adequately adapt to international markets could harm our ability to successfully operate our business and pursue our business goals.

We intend to expand our international operations and continue to establish a worldwide educator partner and learner base. Our expansion efforts into international markets may not be successful. In addition, we face risks in doing business internationally, including risks associated with sales to international governments and entities that could constrain our operations, increase our cost structure, compromise our growth prospects, lead to escalating enforcement actions, and damage our reputation, including:

- the need to localize and adapt online credentialing programs for specific countries, including language translations and ensuring that these programs enable our educator partners to comply with local education laws and regulations;
- local laws restricting learners from pursuing certifications, degrees, or other credentials through online education platforms such as ours or limiting the availability of financial aid to finance online education;
- different data privacy and protection laws, see “Risk Factors—Risks Related to Privacy, Cybersecurity, and Infrastructure”;
- difficulties in staffing and managing employees and contractors in foreign countries, including in countries in which workers based outside of the U.S. may become part of labor unions, employee representative bodies, workers’ councils, or collective bargaining agreements, and challenges relating to labor shortages, government shutdowns, work stoppages, such as labor strikes or lockouts, or slowdowns;

- risks related to employee travel, including illness or accident, detention by foreign authorities, poor transportation infrastructure or services, kidnapping, natural or manmade disasters, or the outbreak of hostilities or war;
- different pricing environments, longer sales cycles, longer accounts receivable payment cycles, restrictions on remitting payments to the U.S. or converting local currency into U.S. dollars, difficulties in adopting and supporting new and different payment preferences, increased credit risk, levels of payment fraud, and non-payment from customers;
- new and different sources of competition and practices, which may favor local competitors;
- weaker protection for IP and other legal and contractual rights than in the U.S., and practical difficulties in enforcing IP and other rights outside of the U.S., including legal and contractual rights, and differing expectations regarding ongoing contractual obligations in the face of changed circumstances;
- compliance and operational challenges related to the complexity of multiple, conflicting, and changing laws and regulations addressing, but not limited to, employment, tax, privacy, data protection, consumer protection, foreign investment restrictions or requirements, economic sanctions, export controls, advertising, boycotting, money laundering, supply chain transparency, modern slavery, bribery, and corruption, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act;
- creation and distribution of content that may be misaligned with U.S. or foreign country interests, cultural norms, or regulations;
- increased financial accounting and reporting burdens and complexities;
- risks associated with foreign tax regimes, trade tariffs, foreign investment restrictions or requirements, or similar issues, which could negatively impact international adoption of our offerings;
- adverse tax consequences, including corporate tax consequences, such as double taxation, transfer pricing burdens, taxation of dividends, value added taxes, digital services taxes, and withholding taxes;
- difficulties in managing foreign business operations, including the potential need to localize our business infrastructure, translating our policies and information technology systems into the local language, and local challenges related to technology as well as internet speed and availability, among other challenges; and
- regional, global, economic, and political conditions, including increases in anti-U.S. sentiment and geopolitical tensions or hostilities within or beyond areas where we currently have, or may in the future have, international operations, such as the ongoing conflicts and unrest in Ukraine and the Middle East.

Further, as we continue to expand internationally, we may become more exposed to fluctuations in currency exchange rates. Future agreements with international learners, customers, and educator partners may require payments to be denominated in local currencies. In such cases, fluctuations in the local currency value relative to the U.S. dollar could impact our operating results. When the U.S. dollar strengthens relative to foreign currencies, the real cost of our offerings increases for our international learners and customers to the extent we base the price of such offerings on the U.S. dollar. This could lead to the lengthening of our sales cycle or reduced demand for our offerings. Conversely, when the U.S. dollar weakens relative to the foreign currencies of our international subsidiaries, our operational costs increase for those locations. If we are unable to successfully hedge against these foreign currency risks, our financial condition and results of operations could be materially and adversely affected. To date, our foreign currency risk exposure has not been material, and as such, we have not entered into any hedging transactions in an effort to reduce this risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedging transactions may be limited, the results may not be as intended, and we may not be able to successfully hedge our exposure, which could adversely affect our financial condition and results of operations.

We intend to launch new offerings and services to learners and customers to grow our business. If our efforts are not successful, our business, results of operations, and financial condition could be adversely affected.

Our ability to attract and retain learners and customers, as well as increase their engagement with our platform, depends on our ability to connect them with appropriate offerings and services. Part of our strategy is to offer them new offerings and services in an increasingly relevant and personalized way. We may develop such offerings and services independently, by acquisition, or in conjunction with third parties, but there is no guarantee these approaches will be successful. The markets for new offerings and services may be unproven, and these offerings may include technologies and business models with which we have little or no prior experience or may significantly change our existing offerings and services. If we are not able to create an experience that allows learners and customers to easily and effectively identify the offerings and services that meet their needs, we may not grow our learner and customer base or generate sufficient revenue, operating margin, or other value to justify our investments, and our business could be adversely affected.

We have incurred significant net losses since inception, and we may not achieve or maintain profitability in the future.

We incurred net losses of $7.8 million and $21.3 million in the three months ended March 31, 2025 and 2024, and we had an accumulated deficit of $868.0 million as of March 31, 2025. We may not achieve profitability in the future, and even if we do, we may not be able to maintain or increase our level of profitability.

We will need to generate and sustain increased revenue levels in future periods while controlling costs to achieve profitability, and even if we achieve profitability, we may not be able to maintain or increase our level of profitability. We anticipate that our operating expenses will increase substantially for the foreseeable future as we continue to, among other things:

- expand our course offerings and the robustness of our platform;
- expand our learner base and our sales and marketing efforts;
- improve and scale our technology;
- enter and expand into additional international markets;
- address increased competition; and
- incur significant accounting, legal, and other expenses as a public company.

Certain expenditures, including those to expand our course offerings and the robustness of our platform, grow our learner and customer base, expand our sales and marketing efforts, and improve and scale our technology and operations, may make it more difficult for us to achieve and maintain profitability. Our efforts to grow our business may be more costly than we expect, and we may not be able to grow our revenue enough to offset our expenses. Restructuring and expense reduction initiatives, including the initiative announced in October 2024 (refer to Note 14, *Restructuring Related Charges*, included in Part I, Item 1 of this Form 10-Q), could negatively impact our business, our growth, and our operational performance if they do not achieve or sustain the targeted benefits, the benefits are not adequate to meet our long-term profitability and operational expectations, costs are materially higher than expected, management's attention is diverted, employee attrition is beyond our intended reduction in force or in key roles, we experience lower employee morale, or our reputation as an employer is damaged harming our ability to retain and attract talent. As a result, we can provide no assurance as to whether or when we will achieve profitability. If we are not able to achieve and maintain profitability, the value of our Company and our stock price could decline significantly, and you could lose some or all of your investment.

We may not generate sufficient revenue from a new offering to offset our costs.

Our platform enables our educator partners to offer learners the opportunity to enroll in live, or synchronous, courses and programs and pre-produced, or asynchronous, educational content that can be accessed at any time. To launch new educational content or a new credentialing program, whether synchronous or asynchronous, we may need to integrate our platform with the various learner information and other operating systems our educator partners use to manage functions within their institutions. In addition, our content development team must work closely with our educator partners to produce engaging online course content, and we must commence learner acquisition activities. During the term of our educator partner agreements, we are responsible for the costs associated with maintaining our platform and providing non-academic and other support for learners enrolled in the program. We invest significant resources in these new programs from the beginning of our relationship with an educator partner, including marketing and other learner acquisition costs to attract and fill enrollment cohorts for a program, and in some cases, content development grants to assist our educator partners as they invest resources preparing content for an online medium. There is no guarantee that we will ever recoup these costs. In addition, delays in implementing a new program, including Specializations, certifications, or degree programs, could negatively impact our revenue and operating results.

Because we receive fees from learners enrolling in, and, in some cases, completing courses and credentialing programs on our platform, we only begin to recover these costs once learners enroll and begin paying fees. In addition, in some cases, learners may audit a course or courses toward a certification free of charge and elect not to pay for the certification itself. The time that it takes for us to recover our investment in a new course or program depends on a variety of factors, primarily our learner acquisition costs, learner retention rate, and the growth rate of learner enrollment in and, in some cases, completion of, the course or program. Because of the lengthy period required to recoup our investment in a program, unexpected developments beyond our control could occur that result in the educator partner ceasing or significantly curtailing a course offering or credentialing program before we generate any revenue therefrom. In addition, educator partners generally do not grant us exclusive rights to their content, and any such arrangements are of limited duration. As such, educator partners may choose to offer the same content on one of our competitors' platforms or their own platform, which could limit the number of learners enrolled in such partner's courses or programs on our platform. In addition, if an educator partner were to terminate an existing program, learners enrolled in that program may stop using our platform, which in turn would negatively impact our learner enrollment generally. As a result of any of the foregoing, we may ultimately be unable to recover the full investment that we make in a new offering or achieve any level of profitability from such offering.

If we pursue unsuccessful educator partner opportunities, we may forego more profitable opportunities, and our operating results and growth could be harmed.

Identifying educational content and credentialing programs that we believe will be a good fit for our learner and customer base and negotiating educator partner agreements is complex and time-consuming. This can be due to the initial reluctance of some businesses, government organizations, academic institutions, and other organizations to embrace online delivery of education, training, and credentialing programs and the complicated approval process within some of these entities.

We, our educator partners, and content production providers may devote significant effort and time to develop and launch new content or a credentialing program. We have spent, and may continue to spend, substantial effort and management resources to secure new educator partners and to work with our existing educator partners to develop, launch, and maintain content and credentialing programs without any assurance that our efforts will result in a successful launch or revenue generation that will exceed our costs. If we invest substantial resources pursuing opportunities that do not attract sufficient interest from learners and customers, we may forgo other more successful content and program development efforts, and our operating results, revenue, and growth could be harmed.

Failure to effectively expand our sales and marketing capabilities could harm our ability to increase our customer base and achieve broader market acceptance of our platform.

Our ability to broaden our customer base, particularly our Enterprise customer base, and achieve broader market acceptance of our platform, will depend to a significant extent on the ability of our sales and marketing organizations to work together to increase our sales pipeline and cultivate customer relationships to drive revenue growth. Our marketing efforts include the use of search engine optimization, paid search, and custom website development and deployment.

We plan to continue investing in and expanding our Enterprise sales and marketing organization, both domestically and internationally. Identifying, recruiting, and training sales personnel requires significant time, expense, and attention. If we are unable to hire, develop, and retain talented sales or marketing personnel, if our new sales or marketing personnel are unable to achieve desired productivity levels in a reasonable period of time (including as a result of working remotely), if our sales and marketing programs are not effective, or if expected sales and marketing programs by our educator partners do not materialize or are not effective, our ability to broaden our customer base and achieve broader market acceptance of our platform could be harmed. In addition, the investments we make in our sales and marketing organization will occur in advance of experiencing benefits from such investments, making it difficult to determine in a timely manner if we are efficiently allocating our resources in these areas.

If we fail to quickly and efficiently scale our operations and platform capabilities to support the needs of new and existing educator partners, our reputation and our revenue will suffer.

Our continued growth and potential profitability depend on our ability to successfully scale our operations and platform capabilities to support newly launched educational content and credentialing programs with our educator partners. If we cannot quickly and efficiently scale our sales, marketing, and technology teams, which includes the hiring and training of new employees, we may not be successful in attracting potential learners and customers to our platform, which would negatively impact our ability to generate revenue, and our educator partners could lose confidence in us. If we cannot quickly and efficiently scale our technology and operations to handle increases in the volume and rate of learner enrollments and of new content or credentialing programs, our educator partners', learners', and customers' experiences with our platform may suffer, which in turn could damage our reputation. Our ability to effectively manage any significant increase in the rate or volume of learner enrollments and retention or in the volume of new content or programs will depend on a number of factors, including our ability to:

- assist our educator partners in developing, launching, and maintaining an increased volume of engaging educational content that is accessible to a wide variety of learners;
- successfully introduce new features and enhancements on our platform;
- maintain a high level of functionality, cross-functionality, and technological robustness of our platform; and
- deliver high-quality professional services and support (including training, implementation, and consulting services) to our educator partners, their employees, and learners on our platform.

Establishing new credentialing programs and content or expanding existing ones will require us to make investments in management and critical roles, increase capital expenditures, incur additional marketing expenses, and potentially reallocate other resources. If we are unable to scale our platform, maintain and increase its interoperability, develop an increasingly robust mix of engaging content, or otherwise manage new offerings effectively, our ability to grow our business and achieve profitability would be impaired, and the quality of our solutions, access to learner information and progress, and the satisfaction of our educator partners, learners, and customers could suffer, or our educator partners could transition content hosted on our platform to other providers, while we continue to provide certain services.

Disruptions to the operations of one or more of our third-party service providers may adversely affect our business operations and financial condition.

We, and our educator partners, rely on a variety of third-party service providers to support our operations by providing customer support, mobile network, internet, content production, platform integration, and other services. We, and our educator partners, may not have the resources or technical sophistication to anticipate disruptions to the operations of our third-party service providers, which could arise from any of a number of different reasons, including financial instability, work stoppages or slowdowns, staffing difficulties, war, or the outbreak of hostilities, staff illness, inclement weather, or natural disasters. Disruptions to the operations of our third-party service providers could result in communication, content production, platform performance, or platform availability problems for us and our educator partners, which could adversely affect our business operations and financial condition.

Our current and future use of AI may not be successful and may present business, compliance, and reputational challenges, which could lead to operational or reputational damage, competitive harm, legal and regulatory risk, and additional costs, any of which could materially and adversely affect our business, financial condition, and results of operations.

We have incorporated, and expect to continue to incorporate, AI in the content and credentials offerings from our educator partners, as well as in our AI-powered platform innovations and features. The incorporation of AI in our business and operations may become more significant over time. The use of generative AI technology, which is considered to be a relatively new and emerging technology in the early stages of commercial use, exposes us to additional risks, which could result in damage to our reputation, competitive position, and business, and expose us to legal and regulatory risks and additional costs. For example, AI algorithms are based on machine learning and predictive analytics, which can create inaccurate or misleading content, unintended biases, and other discriminatory or unexpected results. Accordingly, while AI-powered applications may help provide more tailored or personalized learner experiences, if the content, analyses, or recommendations that AI applications assist in producing on our platform are, or are perceived to be, deficient, inaccurate, or biased, our reputation, competitive position, and business may be materially and adversely affected.

Further, the use of AI technology is subject to ongoing debate in the education industry, including with respect to issues such as plagiarism, cheating, academic integrity, and the scope of appropriate or permissible use of generative AI in the context of both learning and teaching. For example, there is a risk that AI-generated information may be inaccurate or misleading, or not appropriately attribute authors or creators for their work (including if used in the context of content creation), or that students may use generative AI to draft written assignments or for other projects, any of which, absent sufficient and cost-effective methods to detect and prevent such risks, may devalue or undervalue the certificates and other credentials offered through our platform due to the actual or perceived threat of increased plagiarism or cheating, concerns of academic integrity, or appropriate and permissible use of AI. Any of the foregoing or similar issues, whether actual or perceived, could negatively impact the learner experience and diminish the perceived quality and value of the content and certifications provided through our platform to learners, employers, or organizations granting professional licenses or certifications. This in turn could damage our brand, reputation, competitive position, and business. In addition, the use of AI technology has resulted in, and may in the future result in, cybersecurity incidents that implicate the personal information of end users of AI applications. To the extent we experience cybersecurity incidents in connection with our use of AI technology, it could similarly adversely affect our reputation and expose us to legal liability or regulatory risk. Further, our competitors or other third parties may incorporate AI into their products more quickly or more successfully than us, which could impair our ability to compete effectively.

As the utilization of AI becomes more prevalent, we anticipate that it will continue to present new or unanticipated ethical, technical, legal, competitive, and regulatory issues, among others. We expect that our incorporation of AI in our business will require additional resources, including the incurrence of additional costs, to develop and maintain our platform offerings, services, and features to minimize potentially harmful or unintended consequences, to comply with applicable laws and regulations, to maintain or extend our competitive position, and to address any reputational, technical, or operational issues which may arise as a result of the foregoing. As a result, the challenges presented with our use of AI could materially and adversely affect our business, financial condition, and results of operations.

If we fail to increase sales of our Enterprise offerings, or if we need to change the contract terms associated therewith, including with respect to pricing or contract length, it could negatively affect our business, financial condition, and results of operations.

In addition to our offerings for individuals, we sell our Enterprise offerings to businesses, government organizations, academic institutions, and other organizations. These customers utilize our platform to provide relevant training, skills, and credentialing programs to current and potential employees and citizens. To maintain and expand our relationships with these entities, we must demonstrate the value, benefits, and return on investment of providing education, training, skills, and credentialing through our online platform and achieve acceptance from both employees and these entities of the merits and legitimacy of our offerings.

Our growth strategy is dependent upon increasing sales of our Enterprise offerings to these entities, which we offer on a subscription basis. Changes to our subscription and pricing models could adversely affect our ability to attract and retain Enterprise customers, resulting in adverse impact to our revenue and financial condition. In addition, as the market for our learning platform grows (if ever), as new competitors introduce competitive applications or services, or as we enter into new international markets, we may be unable to attract new customers at the same price or based on the same pricing models we have historically used, or for contract lengths consistent with our historical averages. For example, we often enter into subscription arrangements in which we offer more favorable pricing terms in exchange for larger total contract values or longer contract terms. Changes to our pricing models or contract lengths could negatively impact our revenue and financial position, and we may have increased difficulty achieving growth or profitability.

We generally recognize revenue from Enterprise customer subscriptions ratably over the subscription term of the underlying contract, which typically ranges from one to three years. Consequently, a decline in new or renewed subscriptions in any quarter or year will not be fully reflected in revenue or other results of operations in that quarter or year but will negatively affect our revenue and other results of operations across future periods. Further, increases in the average subscription term without a relative increase in the average contract value would result in revenue for those contracts being recognized over longer periods of time with less positive impact on our results of operations in the near term. Accordingly, such changes could adversely affect our financial performance.

As we seek to increase sales of our Enterprise offerings, we face upfront sales costs, higher customer acquisition costs, more complex customer requirements, and discount requirements. In addition, certain Enterprise customers may require education and interactions with our sales team, which increases our upfront cost in the sales effort with no guarantee that our platform will be used widely enough across their organization to justify our upfront cost. Similarly, we may also incur significant upfront costs for contracts that are not renewed, or for which the customer seeks to terminate early, even in the absence of a breach on our part or contractual terms permitting an early termination. From time to time, customers notify us that they wish to terminate early, either seeking a refund of their prior payments or conveying an intention to stop or reduce any further payments due, or both. Even if we believe we are entitled to these payments, it may not be feasible to retain prior payments or collect future payments due to us, and our financial condition and results of operations could be adversely impacted. If we are unable to maintain or increase the number of subscriptions while mitigating the risks associated with serving our Enterprise customers, our business, financial condition, and results of operations will suffer.

In addition, decreases or changes in national or local government funding for government organizations and academic institutions, including as a result of recent or future decreases in U.S. federal funding or federal agency organizational changes, as well as macroeconomic uncertainty or deterioration of economic conditions, could delay, decrease or otherwise negatively impact spending by such institutions or other Enterprise customers on our platform, adversely impacting our business, financial condition and results of operations.

If we fail to maintain sufficient high-quality content from our educator partners, we will be unable to attract and retain learners and customers.

Our success depends on our ability to provide learners and customers with the information, outcomes, academic credit, and certifications they seek, which in turn depends on the quantity, quality, and format of the educational content provided by our educator partners. We may be unable to provide learners and customers with the information and outcomes they seek if our educator partners do not contribute content that is helpful and reliable, if they remove content, or if supplemental or derivative materials are not reliable. If content on our platform attracts unfavorable media coverage or other commentary, our reputation and prospects could be harmed. We believe that certain learners value courses for which they can earn academic credit toward a degree or other credential. We may be unable to provide learners with such courses if our educator partners do not obtain or maintain the certification or quality necessary for such eligibility, and our business would be adversely affected. Further, if such certifications are obtained and maintained, but do not, or cease to, signal to learners and employers the high quality or reliability we, or our educator partners, intend to signal through such certifications, our business would be adversely affected. Any of the foregoing could materially and adversely affect our results of operations, competitive position, and growth prospects.

We believe that many of our new learners find us by word of mouth and other non-paid referrals from existing learners. If existing learners, customers. and educator partners are dissatisfied with their experience on our platform, they may stop accessing our content and may stop referring others to us. The impact of learner dissatisfaction could be compounded if existing learners share negative experiences with potential new learners, via online platforms or otherwise. Likewise, if existing learners do not find our educational content appealing, because of declining interest in or relevancy of the content, they may stop referring others to us. In turn, if educator partners perceive that our platform lacks an adequate learner audience, they may be less willing to place content on our platform, and the learner experience could be negatively impacted. If we are unable to attract and retain learners, customers, and educator partners who contribute to an active community, our growth prospects would be harmed, and our business could be adversely affected.

We face competition from established companies as well as other emerging companies, which could divert educator partners to our competitors, result in pricing pressure, impact our market share, and significantly reduce our revenue.

The ecosystem for global adult online learning is highly fragmented and rapidly evolving. We expect alternative modes of learning to continue to accelerate as existing players and new entrants in this industry introduce new and more competitive products, enhancements, and bundles.

Participants in the global adult online learning ecosystem include, but are not limited to: 2U, Inc., including through its subsidiary edX Inc.; Alison (Capernaum Limited); DataCamp, Inc.; Degreed, Inc.; Eruditus Learning Solutions Pte. Ltd.; Global University Systems, operating the platform FutureLearn; Go1 Pty Limited; Google LLC through its YouTube services; Great Learning PTE Ltd.; Khan Academy, Inc.; LinkedIn Corporation through its LinkedIn Learning services; MasterClass; Noodle Partners, Inc.; OpenSesame Inc.; Pluralsight, Inc.; Risepoint (formerly known as Academic Partnerships); Simplilearn, Skillshare, Inc.; Skillsoft Corp.; Udacity, Inc.; Udemy, Inc.; upGrad Education Private Limited; The Wikimedia Foundation, Inc.; and internal online degree platforms developed in-house by universities. In addition, providers that leverage AI capabilities, including large language models, are increasingly offering education-focused capabilities, such as self-paced learning, custom course creation and on-demand tutoring.

We expect new and existing companies in the online learning industry to continually revise and improve their business models. If industry participants introduce new or improved delivery of online education and technology-enabled services that are more compelling or widely accepted than ours, our ability to grow our revenue and achieve profitability could suffer. New or existing companies in the online education industry provide or may in the future provide offerings similar to what we offer on our platform, and such companies may pursue relationships with our educator partners that may reduce the educational content our educator partners produce for our platform. In addition, academic institutions, as well as businesses, government, and other organizations, may choose to continue using or developing their own online learning or training solutions in-house. This may become more prevalent as emerging technologies, such as generative AI, provide additional means of developing educational programs. Consequently, they may opt for these alternatives rather than pay for our solutions.

Some of our competitors and potential competitors have significantly greater resources than we do. Increased competition may result in pricing pressure for us in terms of the prices learners and customers are willing to pay for our offerings or the costs we are charged by our educator partners. The competitive landscape may also result in a longer and more complex process of recruiting and maintaining current and prospective educator partners or a decrease in our market share, any of which could negatively affect our revenue and future operating results and our ability to grow our business.

A number of factors could impact our ability to compete, including:

- the availability or development of alternative online education services that are, or are perceived to be, more compelling than ours;
- changes in pricing policies and terms offered by our competitors or by us;
- our ability to adapt to new technologies and changing requirements of our learners, customers, and educator partners;
- learner and customer acquisition and retention costs;
- the ability of our current and future competitors to establish relationships with businesses, government organizations, academic institutions, and other organizations to enhance their services and expand their customer base; and
- industry consolidation and the number and rate of new entrants.

We may not be able to compete successfully against current and future competitors. In addition, competition may intensify as our competitors raise additional capital and as established companies in other market segments or geographic markets expand into our market segments or geographic markets. If we cannot compete successfully against our competitors, our ability to grow our business and achieve profitability could be impaired.

If for-profit postsecondary institutions, which offer online education alternatives different from ours, or other for-profit higher education service providers, perform poorly, it could nonetheless tarnish the reputation of online education as a whole, which could impair our ability to grow our business.

For-profit postsecondary institutions, many of which provide course offerings predominantly online, are under intense regulatory and other scrutiny, which has led to media attention that has sometimes portrayed that sector in an unflattering light. Some for-profit online school operators have been subject to government investigations alleging the misuse of public funds, financial irregularities, and failure to achieve positive outcomes for learners, including the inability to obtain employment in their fields, or to earn sufficient income to repay debt incurred for their education. These allegations have attracted significant adverse media coverage and have prompted legislative hearings and regulatory responses. These investigations have focused on specific companies and individuals, as well as entire industries in the case of recruiting practices by for-profit higher education companies. Even though we do not offer credentialing programs with these institutions, this negative media attention and regulatory scrutiny may nevertheless add to the skepticism about online higher education generally, including our solutions. Certain service providers assisting higher education institutions with online program development and management, typically referred to as online program managers ("OPMs"), are also under intense media and other scrutiny, which has led to calls for reform and enforcement by policymakers and members of Congress. Even though we do not have the kinds of affiliations or business models that have been the focus of this scrutiny, this negative media attention and regulatory scrutiny may lead to additional limitations or restrictions on our business, and our ability to grow our business and achieve profitability could be harmed.

The impact of these negative public perceptions on our current and future business is difficult to predict. If these few situations, or any additional misconduct, cause all online learning programs to be viewed unfavorably by the public or policymakers, we may find it difficult to enter into or renew agreements with our educator partners or attract additional learners and customers for their programs. In addition, this perception or any further government investigation could serve as the impetus for more restrictive legislation or regulation, which could limit our future business opportunities. Moreover, allegations of abuse of federal financial aid funds and other statutory violations against for-profit higher education companies could negatively impact our ability to succeed due to increased regulation and decreased demand. Any of these factors could negatively impact our ability to increase our educator partner base and grow their programs, which would make it difficult to continue growing our business and could negatively affect our stock price.

Our growth strategy may contemplate acquisitions, and we may be unsuccessful in executing, implementing, integrating, or leveraging such acquisitions.

We may choose to expand our business by making acquisitions that could be material. To date, we have only completed one acquisition, and our ability as an organization to successfully identify, evaluate, acquire, and integrate technologies or businesses is unproven and limited. Acquisitions involve many risks, including the following:

- an acquisition may negatively affect our results of operations and financial condition because it may require us to incur charges or assume substantial debt or other liabilities, may cause adverse tax consequences or unfavorable accounting treatment, may expose us to claims and disputes by third parties, including IP claims and disputes, or may not generate sufficient financial return to offset additional costs and expenses related to the acquisition;
- we may encounter difficulties or unforeseen expenditures in integrating the business, technologies, products, personnel, or operations of any entity or business that we acquire, particularly if key personnel of the acquired entity or business decide not to work for us;
- an acquisition may disrupt our ongoing business and distract our management;
- an acquisition may result in a delay or reduction of customer purchases for both us and the entity or business we acquired due to customer uncertainty about continuity and effectiveness of service;
- an acquisition may involve entry into geographic or business markets in which we have little or no prior experience or where competitors have stronger market positions;
- we may face challenges inherent in effectively managing an increased number of employees in diverse locations;
- we may experience strain on our financial and managerial controls and reporting systems and procedures;
- our use of cash to pay for acquisitions would limit other potential uses for our cash;
- if we incur debt to fund such acquisitions, such debt may subject us to material restrictions on our ability to conduct our business;
- we may incur impairment charges related to potential write-downs of acquired assets or goodwill; and

- to the extent that we issue a significant amount of equity or equity-based securities in connection with an acquisition, existing stockholders may be diluted.

We may not succeed in addressing these or other risks, which could harm our business and operating results.

We may invest in private companies, and if the value of any such equity investments were to decline, it could adversely affect our results of operations and financial condition.

We may from time to time make equity investments in private companies where we do not have the ability to exercise significant influence over results. Investments in private companies are inherently risky. The companies in which we may invest include early-stage companies that may still be developing products and services with limited cash to support the development, marketing, and sales of their products, and whose financial statements are often unaudited. Further, our ability to liquidate such investments will typically be dependent on a liquidity event, such as a public offering or acquisition, as no public market currently exists for the securities held in the investees. Valuations of privately held companies are inherently complex and uncertain due to the lack of a liquid market for the securities of such companies and the potential lack of comparable acquisitions in the market as a comparison for such valuations, among other factors. If we determine that any of our investments in such companies have experienced a decline in value, we will recognize an impairment expense to adjust the carrying value to its estimated fair value. Negative changes in the estimated fair value of private companies in which we invest could have a material adverse effect on our results of operations and financial condition.

Our directors may encounter conflicts of interest involving us and other organizations with which they may be affiliated, including matters that involve corporate opportunities.

Most of our directors are, and any future directors may be, affiliated with other entities, including venture capital or private equity funds or businesses that may be complementary, competitive, or potentially competitive to our Company. They may also in the future become affiliated with entities that are engaged in business or other activities similar to our business. Additionally, all of our officers and directors, in the course of their other business activities, may become aware of investments, business opportunities, or information that may be appropriate for presentation to us as well as to other entities to which they owe a fiduciary duty. As a result, directors and officers may encounter perceived or actual conflicts of interest involving us and other entities with which they are or become affiliated, including matters that involve corporate opportunities. A portfolio company of a director-affiliated venture fund may become a competitor of ours or a potential strategic partner. In addition, as our growth strategy includes considering potential acquisitions, it is possible an entity affiliated with one of our directors could be an acquisition target or a competitive acquirer.

Further, to the extent we engage in transactions with any director-affiliated entity, it could create actual, or the perception of, additional conflicts of interest, including with respect to our ability to negotiate terms equivalent to those that could be obtained in an arms'-length negotiation with an unaffiliated third party. For instance, Dr. Ng, one of our co-founders and Chairman of our board of directors (the "Board"), owns DeepLearning.AI Corp., a developer of educational content relating to AI that offers courses through our platform. Although we view DeepLearning.AI Corp. as a valued educator partner and believe our agreement is on commercially reasonable terms, there may nonetheless be a perception of a conflict of interest.

As a result of the foregoing, our directors and officers may have conflicts of interest in determining to which entity particular opportunities or information should be presented. If, as a result of such potential conflicts, we are deprived of investment, business, or information, the execution of our business plan and our ability to effectively compete may be adversely affected. Our directors are also not obligated to commit their time and attention exclusively to our business, and accordingly, they may encounter conflicts of interest in allocating their time and resources between us and other entities with which they are affiliated.

We depend on our senior management and other key employees to grow and operate our business, and if we are unable to hire, retain and motivate our personnel, we may not be able to grow effectively.

Our future success is substantially dependent on our continued ability to identify, hire, develop, motivate, and retain highly skilled personnel, including senior management, engineers, sales, product managers, operations, and general and administrative functions. The expertise of our senior management team in negotiating with businesses, government organizations, academic institutions, and other organizations is critical in navigating the complex approval processes of these entities. We do not maintain key-person insurance on any of our employees, and our U.S. employees are generally employed on an at-will basis. There have been, and from time to time, there may continue to be, changes in our senior management team and key employees, which could disrupt our business. Some senior management members have been with us for a short period of time, and we continue to develop key functions within various aspects of our business. For example, in February 2025, Mr. Hart joined us as our President, Chief Executive Officer, and Board member. The loss of one or more of our senior management members or other key employees, or the failure of our senior management team to work together effectively, develop strategies, and execute our plans, could harm our business. Further, the failure to successfully transition and assimilate key employees could adversely affect our business operations.

Our future success also depends heavily on the retention of our highly-qualified employees to continue to attract and retain learners and customers, thereby generating revenue for us. In particular, our technology and content development employees provide the technical expertise to innovate and support our platform offerings and programs, and our customer support employees assist our learners and customers. Competition for these employees is intense. We may be unable to attract or retain these key employees that are critical to our success, resulting in harm to our relationships with learners, customers, and educator partners, loss of expertise or know-how, and unanticipated recruitment and training costs.

In addition, any changes to our organizational or compensation structure or our workplace culture may be negatively perceived by current or prospective employees and may result in attrition or cause difficulty in the recruiting process. We may periodically implement business strategies that impact our employees, including changes to our organizational structure or workforce adjustments, such as the expense reduction initiative announced in October 2024 (refer to Note 14, *Restructuring Related Charges*, included in Part I1, Item 1 of this Form 10-Q). Workforce reductions or restructurings could have an adverse effect on our business, including lowering employee morale, harming our reputation as an employer, making it difficult to retain and attract talent, losing key employees targeted for retention, and hindering our ability to meet operational targets due to loss of key employees. To the extent that our compensation and benefits programs are not viewed as competitive, our workplace culture does not resonate, or changes in our workforce or other initiatives are not viewed favorably, our ability to attract, retain, and motivate employees can be weakened, which could harm our operating results.

We may need additional capital in the future to pursue our business objectives. Additional capital may not be available on favorable terms, or at all, which could compromise our ability to maintain and grow our business.

We believe that our existing cash and cash equivalents are sufficient to meet our minimum anticipated cash requirements for at least the next 12 months. We may, however, need to raise additional funds to respond to business challenges or opportunities, expand our business through acquisitions, accelerate our growth, develop new offerings, or enhance our platform. If we seek to raise additional capital, it may not be available on favorable terms or may not be available at all. In addition, if we seek debt financing, we may be subject to onerous terms and restrictive covenants. Lack of sufficient capital resources could significantly limit our ability to manage our business and to take advantage of business and strategic opportunities. Further, any additional capital raised through the sale of equity or issuance of debt securities with an equity component would dilute our existing stockholders. If adequate additional funds are not available if and when needed, we may be required to delay, reduce the scope of, or eliminate material parts of our business strategy.

If we fail to successfully or appropriately balance longer-term growth and short-term results, our results of operations could be negatively impacted, including in the near term.

We believe our long-term value as a company will be greater if we effectively balance our longer-term growth and short-term results. As a result, our results of operations may be negatively impacted in the near term relative to a strategy solely focused on maximizing short-term profitability. Significant expenditures on sales and marketing efforts, as well as research and development efforts to enhance our platform and offerings, may not ultimately grow our business or lead to expected long-term results. If our strategy does not lead to expected growth or if we are ultimately unable to achieve results of operations at the levels expected by securities analysts and investors, our stock price would likely decline.

Our results of operations could be adversely affected by natural disasters, public health crises, political crises, geopolitical crises, or other catastrophic events.

Our business and operations could be materially and adversely affected in the event of earthquakes, floods, fires, telecommunications failures, blackouts or other power losses, break-ins, acts of terrorism, an outbreak of hostilities, political or geopolitical crises, such as the conflicts in Ukraine and the Middle East, inclement weather, public health crises, pandemics, epidemics, or other catastrophic events.

For example, the uncertain nature, magnitude, and duration of hostilities stemming from Russia's military invasion of Ukraine or conflicts in the Middle East, including the potential effects of sanctions and retaliatory cyberattacks on the world economy and markets, have contributed to increased market volatility and uncertainty, and may impact our customers' intent or ability to pay for services, which could negatively impact our results of operations. The Israel-Hamas war has resulted in significant military activity in the Middle East, which may further escalate regional instability and could disrupt our operations and the business of our significant customers, educator partners, and learners in the Middle East and North Africa regions, which could negatively impact our results of operations. The continued turmoil in Ukraine and the Middle East could have a depressing effect on the global economy, which could dampen our business activity and reduce the demand for our online learning solutions.

In addition, pandemics or other public health crises could impact our business, key metrics, and results of operations. The emergence of a widespread health crisis could adversely impact our business if our employees, our educator partners', or our third-party service providers' employees become ill and are unable to perform their duties, and our operations, internet, or mobile networks, or the operations of one or more of our third-party service providers, is impacted. In addition, in the event of another widespread public health crisis, we may experience an adverse impact to our business and our stock price as a result of the crisis' impact on the global economy and financial markets, including inflation or recession. More generally, a public health crisis or other catastrophic event could adversely affect economies and financial markets and lead to an economic downturn, which could harm our business, financial condition, and operating results.

Further, our headquarters is located near San Francisco, California, an earthquake-sensitive area and one that has been increasingly vulnerable to wildfires and floods, and damage to or total destruction resulting from such catastrophic events may disrupt our business operations, which may not be covered by insurance. If floods, earthquakes, fire, inclement weather including extreme rain, wind, heat, or cold, or other accidents were to occur and cause damage to our properties or other locations from which our employees are working, or if our operations or the operations of our service providers were interrupted by telecommunications failures, blackouts, acts of terrorism, outbreaks of hostilities, political or geopolitical crises, or public health crises, our results of operations would suffer, especially if such events were to occur during peak periods. We may not be able to effectively shift our operations due to disruptions arising from the occurrence of such events, and our business could be affected adversely as a result.

To the extent that any catastrophic event adversely affects our business, results of operations, financial condition, and cash flows, it may also heighten many of the other risks described in this "Risk Factors" section.

Our metrics and market estimates used to evaluate our performance are subject to inherent challenges in measurement, and real or perceived inaccuracies in those estimates may harm our reputation and negatively affect our business.

The metrics we use to evaluate our growth, measure our performance, and make strategic decisions are calculated using internal company data and have not been validated by a third party. Our metrics and market estimates may differ from estimates published by third parties or from similarly titled metrics of our competitors or peers due to differences in methodology or the assumptions on which we rely. Additionally, metrics and forecasts relating to the size and expected growth of our addressable market may prove to be inaccurate. Even if the markets in which we compete meet the size estimates and growth we have forecasted, our business could fail to grow at similar rates, if at all. If securities analysts or investors do not consider our metrics or our market estimates to be accurate representations of our business, or if we discover material inaccuracies in such estimates, then our stock price could decline, our reputation and brand could be harmed, and our business, financial condition, and results of operations could be adversely affected.

Increasing scrutiny and evolving expectations with respect to our environmental, social, and governance ("ESG") practices may impose additional costs on us, expose us to new or additional risks, or harm our reputation.

Companies are facing increasing scrutiny from customers, regulators, governments, investors, employees, and other stakeholders related to their ESG practices and disclosures. Investor advocacy groups, investment funds, and influential investors are also increasingly focused on these practices, especially as they relate to the environment, health and safety, diversity, labor conditions, and human rights. ESG-related compliance costs could result in increases to our overall operational costs. Failure to adapt to or comply with regulatory requirements or investor, employee, or stakeholder expectations and standards, particularly as these standards may diverge or conflict across the jurisdictions we operate in, could negatively impact our reputation, ability to do business with certain educator partners, and our stock price.

New government regulations in the jurisdictions in which we operate could also result in new or more stringent forms of ESG oversight and expanding mandatory and voluntary reporting, diligence, and disclosure. Collecting, measuring, and reporting ESG information and metrics can be costly, difficult and time consuming, and can present numerous operational, reputational, financial, legal, and other risks, any of which could have a material impact on us, including on our reputation and stock price. Inadequate processes to collect and review this information prior to disclosure could subject us to potential liability related to such information. Furthermore, the U.S. federal government and several U.S. states have enacted or proposed "anti-ESG" policies or legislation. If certain investors do not agree with our practices or disclosures in this regard, such investors may not invest in the Company, which could negatively affect our stock price.

Climate change may have an adverse impact on our business.

Risks related to climate change may have an adverse impact on our business and those of our customers, educator partners, and learners in the longer term. Any of our primary locations and the locations of our customers, educator partners, and learners may be vulnerable to the adverse effects of climate change. Furthermore, it is more difficult to mitigate the impact of these events on our employees while they work from home. Changing market dynamics, global policy developments, and the increasing frequency and impact of extreme weather events on critical infrastructure have the potential to disrupt our business and the business of our customers, educator partners, and learners, and may cause us to experience higher attrition, losses, and additional costs to maintain our operations. Further, the effects of climate change may negatively impact regional and local economic activity, which could lead to an adverse effect on our customers, educator partners, and learners and impact the communities in which we operate. Overall, climate change, its effects, and the resulting unknown impact could have a material adverse effect on our financial condition and results of operations.

Our workforce primarily operates on a remote basis, which could have a negative impact on the execution of our business plans and operations and create productivity, connectivity, and oversight challenges.

We allow most employees to work remotely on an ongoing basis. This policy could have a negative impact on the execution of our business plans and operations and create productivity, connectivity, and oversight challenges. For example, if a natural disaster, widespread fire, power outage, connectivity issue, or other event occurred that impacted our employees' ability to work remotely, it may be difficult for us to continue components of our business for a period of time. Remote working may also result in consumer privacy, IT security, and fraud vulnerabilities, which, if exploited, could result in significant recovery costs and harm to our reputation. Operating in a predominantly remote work environment and providing and maintaining the operational infrastructure necessary to support a remote work environment also present significant challenges of managing, integrating, developing, training, and motivating our global workforce, transitioning knowledge, maintaining our company culture, and employee engagement and productivity. As a result, our culture, information technology requirements, cybersecurity risk, and business operations could be adversely affected.

Risks Related to Regulatory Matters and Litigation

Laws and regulations can have a negative impact on our business.

We are subject to complex and evolving laws and regulations worldwide that differ among jurisdictions and affect our operations in areas including, but not limited to: higher education; IP ownership and infringement; tax; import and export requirements; anti-corruption; data privacy requirements; consumer protection; employment and labor laws; and accounting and financial reporting. Compliance with such requirements can be onerous and expensive and may otherwise impact our business operations negatively. For example, unfavorable legal or regulatory developments related to higher education, AI, or privacy may adversely impact our platform, strategy, business, or operations. Legislative or regulatory developments, including the U.S. Department of Education ("DOE") regulatory activities, may also adversely impact our current and prospective learners, customers, or educator partners, which may in turn have an adverse impact on our business, results of operations, financial condition, and growth prospects. In addition, the U.S. Supreme Court's decision in Loper Bright Enterprises v. Raimondo ("Loper Bright") in June 2024, overturning the "Chevron doctrine" that provided for judicial deference to federal agency interpretations of statutes, has resulted in regulatory uncertainty and may cause industry uncertainty, increasing the risk of legal challenges to current DOE rules, policies, and guidance, and the potential for future enactment of congressional legislation.

In addition, our policies, controls, and procedures designed to comply with applicable laws cannot provide assurance that our employees, contractors, or agents will not violate such laws or our policies. Violations of these laws and regulations can result in fines; criminal sanctions against us, our officers, or our employees; prohibitions on the conduct of our business; and damage to our reputation. The education technology industry is subject to media, political, and regulatory scrutiny, which can increase our exposure to regulatory investigations, legal actions, penalties, or reputational harm.

If our educator partners fail to comply with international, federal, and state education laws and regulations, including any applicable state authorizations for their programs, it could harm our business and reputation.

Higher education is heavily regulated in the U.S. and most international jurisdictions. Numerous U.S. states require education providers to be licensed or authorized in such state simply to enroll in-state learners into an online education program or to conduct related activities such as marketing. If any of our educator partners were found to be non-compliant with any of the laws, regulations, standards, or policies related to state authorization, the educator partner could lose its ability to operate in certain states. If such non-compliance extended to a material contingent of our educator partners, and they lost the ability to operate in certain states, our revenue could decline.

Additionally, the vast majority of our U.S.-based university partners participate in the federal student financial assistance programs under Title IV of the Higher Education Act of 1965, as amended (respectively, "Title IV" and "HEA"), and are subject to extensive regulation by the DOE, as well as various state agencies, licensing boards, and accrediting agencies. To participate in the Title IV programs, an institution must receive and maintain authorization by the appropriate state education agencies, be accredited by a DOE-recognized accrediting agency, and be certified by the DOE as an eligible institution.

The regulations, standards, and policies of our university partners' regulators are complex, change frequently, and are often subject to differing interpretations. Changes in, or new interpretations of, applicable laws, regulations, or standards could compromise our university partners' accreditation, authorization to offer online learning in various states or countries, permissible activities, or access to federal funds under the Title IV programs. We cannot predict with certainty how the requirements applicable to our university partners will be interpreted, including in the case of new laws or regulations for which no, or insufficient, interpretative guidance exists, or whether our university partners will be able to comply with these requirements in the future. Some regulations were designed to regulate in-person correspondence or other types of learning experiences not offered online and may be difficult to interpret or apply to the types of programs offered by our university partners on our platform. In addition, there is no assurance that degrees or certifications earned in one jurisdiction will be recognized as valid or sufficient in other jurisdictions, including internationally. This could affect employment prospects, eligibility for advanced degrees, and other opportunities. Our international university partners are subject to similarly extensive legislation, regulation, and oversight.

Our future growth could be impaired if we, or our educator partners, fail to obtain timely approval from applicable regulatory agencies to offer new programs, make substantive changes to existing programs, or expand their programs into or within certain jurisdictions.

Our U.S.-based university partners are required to obtain the appropriate approvals from the DOE and applicable state and accrediting regulatory agencies for new programs, which may be conditioned, delayed, or denied in a manner that could impair our future growth. Similar approvals and reviews may be required for programs from our educator partners based outside of the U.S., and for them to offer programs in other countries.

Our educator partners, both U.S. and international, may also be required to be authorized in certain states to offer online programs and engage in advertising or recruiting, depending on state and international laws. Although many of our programs are offered by U.S.-based higher education institutions that hold such authorizations or participate in an appropriate state reciprocity agreement, such as the State Authorization Reciprocity Agreement (“SARA”), other educator partners are not traditional education institutions or operate outside of the U.S. and do not hold such state authorizations. Further, even U.S.-based higher education institutions could lose a necessary authorization either because it lapses or is revoked by a state agency. Such educator partners could also lack, or lose, the ability to participate in a reciprocity agreement that provides the basis for their authorization in multiple states. For example, California higher education institutions currently do not participate in SARA. Unless we choose to seek authorization in our own name, which we have not done to date, the loss of or failure by an educator partner to obtain a necessary state authorization would, among other things, limit our ability to deliver content to learners in that state, either for degree or non-degree programs, render the educator partner and its learners in that state ineligible to participate in Title IV or other financial aid programs, diminish the attractiveness of the educator partner’s programs, and ultimately compromise our ability to generate revenue. In addition, if we or any of our educator partners fail to comply with any state agency’s rules, regulations, or standards beyond authorizations, the state agency could limit the ability of the educator partner to offer programs in that state or limit our ability to perform our contractual obligations to our educator partner in that state.

We, or our educator partners, may also be required to obtain appropriate approvals under international education laws and regulations. For example, a recent Indian regulation relating to online higher education requires, among other things, that learning platforms utilized by Indian universities to offer online degrees be approved by a technical committee of the Indian regulator. Seeking such approval could be a complex and time-consuming process, since the requirement is new, and as such there is no certainty as to the timing and standard of review for international platforms, or even whether international platforms are permitted to apply for approval. In addition, we may lack the knowledge and resources to successfully pursue an application without the support of one or more of our Indian university partners. International education laws and regulations may prohibit or restrict the delivery of online education by extraterritorial entities, or local policies or practice may favor local providers. India’s Ministry of Education recently announced its intent to launch its first digital university in 2023, the National Digital University, which would allow students to accumulate and combine credits from different higher education institutions. Such a program may negatively impact our ability to effectively expand our degree programs in India.

If we, or our educator partners, fail to obtain or maintain necessary authorizations or violate applicable laws and regulations, learners in relevant programs could be adversely affected, we could lose our ability to operate in that state or international market, and our ability to generate revenue would be adversely affected.

If our educator partners fail to maintain institutional or programmatic accreditation for their programs, our revenue could be materially adversely affected.

The loss or suspension of an educator partner’s accreditation or other adverse action by their institutional accreditor would render the institution or its program ineligible to participate in Title IV programs or similar government funding programs that may be in place and available to students enrolled in degree programs based in and outside of the U.S. This loss, suspension, or other adverse action could prevent the educator partner from offering certain educational programs, could prevent our degree students from accessing such funding programs, and could make it impossible for the graduates of the educator partner’s program to practice the profession for which they trained. If any of these results occur, it could hurt our ability to generate revenue from that program.

Our activities are subject to international, federal, and state education accessibility, consumer protection laws and regulations, and other requirements.

As a service provider to higher education institutions both in the U.S. and internationally, either directly or indirectly through our arrangements with educator partners, we are required to comply with certain education laws and regulations.

Our platform is also subject to various requirements relating to accessibility for learners with disabilities. Certain requirements of Title II and Title III of the Americans with Disabilities Act apply to us and to our public and private university partners, Section 504 of the Rehabilitation Act of 1974 (the “Rehabilitation Act”) applies to our educator partners that receive federal funding, and Section 508 of the Rehabilitation Act, which sets accessibility standards for websites of federal departments and agencies, applies to certain of our government customers. Further, in the absence of definitive federal rulemaking, the Web Content Accessibility Guidelines 2.2, a set of recommendations and technical standards for making websites accessible to individuals with disabilities published by the World Wide Web Consortium, have become the effective standard for learner-facing aspects of our platform. We may not be successful in ensuring that our offerings and services meet these changing statutory and regulatory requirements, which could make our solutions less attractive to our educator partners, learners, and customers. This could also subject us to third-party lawsuits, regulatory fines, or other action or liability. As such, we expect to incur ongoing costs of compliance.

Our subscription plans charge learners on a recurring basis, and as a result, we must comply with complex international, federal, and state laws and regulations related to automatic renewal, unfair competition, and false advertising. These laws, among other things, require us to make specific disclosures in clear and conspicuous ways when a learner purchases a subscription, and obtain the learner’s affirmative, express consent to the recurring charges, as well as provide learners with refunds easily and promptly. The penalties for failing to comply with these requirements can be severe, including rendering the subscription contract null and void, and allowing the consumer to treat any services provided under such a contract as a gift, and any failure to comply with these requirements may constitute violations of more general consumer protection laws, which could subject us to third-party lawsuits, regulatory fines, or other action or liability, and we expect to incur ongoing compliance costs.

Additionally, we have made, and will continue to make, certain contractual commitments to our educator partners regarding legal and regulatory compliance, and failure to comply could result in breach of contract and indemnification claims and could cause damage to our reputation and impair our ability to grow our business and achieve profitability.

Changes in spending and staffing policies or budget priorities for government funding of academic institutions and other education providers could result in reduced or delayed content development for our platform.

Our educator partners include academic institutions and other education providers, many of which depend substantially on government funding. Any general decrease, delay, or change in governmental funding, including the withdrawal of grants, at the national or local level for academic institutions and other education providers, in the U.S. or abroad, could cause our current and potential educator partners to reduce their use of our platform, or delay content development for our platform, any of which could cause us to lose learners, customers, and revenue. In the U.S., pressures on and uncertainty regarding the U.S. federal government budget, changes in spending and staffing policies and budgetary priorities, including proposed or future changes to the DOE, reductions in federal funding of academic institutions, and changes in the tax status of academic institutions could negatively impact our educator partners' budgets or operations, and in turn, negatively impact our business, financial condition, and results of operations.

While our degree programs are designed to align with guidance from a DOE “Dear Colleague” Letter, such guidance is not codified by statute or regulation and may be subject to change.

Each institution that participates in Title IV programs agrees, as a condition of its eligibility to participate in those programs, that it will not “provide any commission, bonus, or other incentive payment based in any part, directly or indirectly, upon success in securing enrollments or the award of financial aid, to any person or entity who is engaged in any student recruitment or admission activity, or in making decisions regarding the award of Title IV program funds.” The vast majority of our U.S.-based university partners, and some of our non-U.S. university partners, participate in Title IV programs. Although this rule, referred to as the incentive compensation rule, generally prohibits entities or individuals from receiving incentive-based compensation payments for the successful recruitment, admission, or enrollment of learners, the DOE provided clarifying guidance in March 2011 interpreting the incentive compensation rule as permitting tuition revenue-sharing arrangements under what is known as the “bundled services exception.” Our degree programs rely heavily on the bundled services exception to enter into tuition revenue-sharing agreements with our Title IV participating university partners.

Our business model and contractual arrangements with our U.S.-based university partners are designed to follow the bundled services exception in the DCL. However, the inherent ambiguity in the DCL and the incentive compensation rule creates the risk that DOE or a court, including, notably, in the context of a "whistleblower" claim under the federal False Claims Act, could disagree with that interpretation. If the DOE or a court determined that our business model did not meet the bundled services exception, we may not be able to enforce our right to collect revenue sharing from our educator partners, and our partners may seek a refund of previously paid amounts. Even if such claims are without merit, they could cause reputational harm, cause us to incur significant defense costs, result in the termination of our Title IV participating university partner agreements, and negatively impact our ability to enter into new agreements.

Further, because the bundled services exception was promulgated by agency guidance through the DCL and is not codified by statute or regulation, there is risk that the exception could be altered or removed without prior notice, public comment period, or other administrative procedural requirements that accompany formal agency rulemaking. The U.S. Supreme Court's decision in the Loper Bright case may also result in legal challenges to the DCL or otherwise result in future changes to the bundled services exception. If the guidance is rescinded or amended, such changes may materially and adversely impact our business and operations as we may need to alter or replace the current tuition revenue-sharing models in our agreements with Title IV participating university partners.

We can offer no assurances as to whether the exception in the DCL would be upheld by a court or how it would be interpreted. Neither can we predict the impact a material reduction in the DOE's workforce, or the DOE's reorganization or elimination, would have on the DCL's enforceability or its perceived viability. The revision, removal, or invalidation of the bundled services exception by Congress, the DOE, or a court, whether in an action involving our Company or our university partners, or in an action that does not involve us, could require us to change our business model and renegotiate the terms of our university partner agreements and could compromise our ability to generate revenue, thereby potentially materially and adversely impacting our business and operations.

State legislation could negatively affect our degree programs.

A perceived impairment in the DOE's ability or desire to regulate higher education could result in increasing state legislation. For example, in 2024, Minnesota enacted a law prohibiting their public universities from entering into revenue share arrangements to procure marketing and recruiting services in support of their online programs. Further, Ohio is currently considering a bill which would require Ohio universities to submit OPM contracts for pre-approval and grant them a right to unilaterally terminate any such contract. In the past, other states, such as California, Florida, and New Jersey, have considered similar legislation. Our current degree programs may be negatively affected by such state legislation, and we may be required to make changes to our business model and renegotiate the terms of our university partner agreements with public universities located in such states. If we are unable to comply with the terms of such state legislation or negotiate terms with public universities acceptable under such state legislation, we may have to terminate our degree programs in those states, and our ability to generate revenue may be adversely affected.

If we violate the misrepresentation rule, or similar federal and state regulatory requirements, we could face fines, sanctions, and other liabilities.

Under our contracts with U.S.-based university partners, we are required to comply with other regulations promulgated by the DOE and comparable state laws that affect our marketing activities, including the misrepresentation rule. The misrepresentation rule is broad in scope and applies to statements our employees or agents may make about the nature of an educator partner's program, their financial charges, or the employability of their program graduates. A violation of this rule or other federal or state regulations applicable to our marketing activities by an employee or agent performing services for educator partners could damage our reputation, result in the termination of educator partner agreements, require us to pay fines or other monetary penalties, injunctions or other remedies and require us to pay the fees associated with indemnifying an educator partner from private claims or government investigations. Any such outcomes could have a material adverse effect on our business, financial condition, and results of operations.

We are required to comply with the Family Educational Rights and Privacy Act ("FERPA") for certain of our offerings, and failure to do so could harm our reputation and negatively affect our business.

FERPA generally prohibits an institution of higher education from disclosing personally identifiable information from a learner's education records without the learner's consent. Certain U.S.-based university degree and certificate partners and Coursera for Campus customers and their learners disclose to us certain information that originates from or composes a learner education record under FERPA. Through our contracts to provide services to these institutions, we are indirectly subject to FERPA. If we violate FERPA, it could result in a material breach of our agreements with one or more of our educator partners and Coursera for Campus customers, which could harm our reputation. Further, in the event that we disclose learner information in violation of FERPA, the DOE could require an educator partner to suspend our access to their learner information for at least five years.

We could face liability, or our reputation might be harmed, as a result of the activities of our customers, educator partners, or learners for content on or accessible through our platform.

In some instances, various articles or other third-party content may be posted to our platform by customers, educator partners, or learners. The laws governing the fair use of these third-party materials are imprecise and adjudicated on a case-by-case basis, which makes it challenging to adopt and implement appropriately balanced institutional policies governing these practices. As a result, we could incur liability to third parties for the unauthorized duplication, distribution, or other use of this material. In addition, third parties may allege misappropriation, plagiarism, or similar claims related to content appearing on our platform. Any such claims, including claims of defamation, disparagement, negligence, breach of warranty, misappropriation, or personal harm, could subject us to costly litigation and impose a significant strain on our financial resources and management personnel, regardless of whether the claims have merit. Our various liability insurance coverages may not cover potential claims of this type adequately or at all, and we may be required to, or may choose to, alter or cease our uses of such material, which may include changing or removing content or altering the functionality of our platform, or be required to pay monetary damages. Furthermore, if inappropriate, offensive, or unlawful content is posted on our platform by customers, educator partners, or learners, it could harm our reputation, lead to a loss of users or partners, and potentially expose us to legal liability.

While we rely on a variety of statutory and common-law frameworks and defenses, including those provided by the Digital Millennium Copyright Act of 1998 ("DMCA"), the Communications Decency Act of 1996 ("CDA"), the fair-use doctrine in the U.S., as well as the Digital Services Act ("DSA"), the Digital Markets Act ("DMA") and the e-Commerce Directive in the European Union ("EU"), differences between statutes, limitations on immunity, requirements to maintain immunity, and moderation efforts in the many jurisdictions in which we operate may affect our ability to rely on these frameworks and defenses, or create uncertainty regarding liability for information or content uploaded by customers, educator partners, or learners or otherwise contributed by third-parties to our platform. For example, while Section 230 of the CDA provides certain legal protections to online platforms from litigation related to content posted by users of their platforms, Section 230 has faced increasing litigation challenges and legislative proposals regarding the scope of its protection. These actions may increase the uncertainty of litigation risk for online platforms such as ours. Furthermore, Article 17 of the EU Directive on Copyright in the Digital Single Market affords copyright owners some enforcement rights that may conflict with U.S. safe harbor protections afforded to us under the DMCA. The DSA and DMA have gone into effect in the EU, updating the rules surrounding illegal content and requiring reports on the moderation of content. Moreover, regulators in the U.S. and in other countries in which we operate may introduce new regulatory regimes that increase potential liability for information or content available on our platform, or which impose additional obligations to monitor such information or content, which could increase our costs.

We are subject to government export and import controls and anti-corruption laws and regulations that could impair our ability to compete in international markets and subject us to liability if we are not in compliance with applicable laws.

Our business activities are subject to various restrictions under U.S. export and import and similar laws and regulations, including the U.S. Department of Commerce's Export Administration Regulations and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Controls. The U.S. export control laws and U.S. economic sanctions laws include restrictions or prohibitions on the purchase or sale of certain technology, goods, and services to U.S. embargoed or sanctioned countries, governments, persons, and entities. In addition, various countries regulate the import of certain technology and have enacted or could enact laws that could limit our ability to provide learners and customers access to our platform or could limit our learners' and customers' ability to access or use our services in those countries.

Although we take precautions to prevent our platform from being provided in violation of such laws, our platform could be provided inadvertently in violation of such laws, despite the precautions we take. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to civil or criminal penalties, including the possible loss of export privileges and fines. We may also be adversely affected through penalties, reputational harm, loss of access to certain markets, or otherwise. In addition, various countries regulate the import and export of certain encryption and other technology, including import and export permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our platform or could limit our learners' ability to access our platform in those countries. Changes in our platform, or changes in export and import regulations, such as the increase of sanctions on Russian parties, and discretionary decisions to suspend activities in Russia, may prevent our international learners from utilizing our platform or, in some cases, prevent the export or import of our platform to certain countries, governments, or persons altogether. Any change in export or import regulations, economic sanctions, or related legislation or changes in the countries, governments, persons, or technologies targeted by such regulations, could result in decreased use of our platform by, or in our decreased ability to export or sell subscriptions to our platform to, existing or potential learners internationally, or could restrict our ability to acquire technology, services, or content. Any decreased use of our platform or limitation on our ability to export or sell our platform would adversely affect our business, results of operations, and financial results.

We are also subject to various domestic and international anti-corruption laws, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, as well as other similar anti-bribery, anti-kickback laws, and anti-money laundering regulations. These laws and regulations generally prohibit companies, their employees, and their intermediaries from authorizing, offering, providing, and accepting improper payments or benefits for improper purposes. These laws also require that we keep accurate books and records and maintain compliance procedures designed to prevent any such actions. Although we take precautions to prevent violations of these laws and regulations, our exposure to violations increases as our international presence expands and as we increase sales and operations in foreign jurisdictions.

We may become involved in claims, lawsuits, government investigations, and other proceedings that could adversely affect our business, financial condition, and results of operations.

From time to time, we may be subject to claims, lawsuits, government investigations, arbitrations, and other proceedings including IP, privacy, commercial, employment, class action, securities, whistleblower, accessibility, advertising and marketing, consumer protection, and other litigation and claims, and government and other regulatory investigations and proceedings. For example, we were party to a class action lawsuit alleging certain violations of the Video Privacy Protection Act ("VPPA") and have faced arbitration demands for alleged breach of the VPPA and other privacy laws. Additional allegations or litigation may arise against us in the future, including related to the VPPA and other privacy and consumer protection laws.

Such matters can be time-consuming, divert management's attention and resources, cause us to incur significant expenses or liability, or require us to change our business practices. In addition, litigation expenses and the timing of these expenses from period to period are difficult to estimate, subject to change, and could adversely affect our financial condition and results of operations. Because of the potential risks, expenses, and uncertainties of litigation, we may, from time to time, settle disputes, even where we have meritorious claims or defenses, by agreeing to settlement agreements. Any of the foregoing could adversely affect our business, financial condition, and results of operations. Refer to Note 9, *Commitments and Contingencies*, included in Part I, Item 1 of this Form 10-Q for additional information.

Risks Related to Privacy, Cybersecurity, and Infrastructure

If personal, confidential, or otherwise sensitive information about our learners, customers, educator partners, or their employees is disclosed, or if we, or our third-party providers, are subject to cyberattacks, use of our platform could be curtailed, we may be exposed to liability, and our reputation could suffer.

Although we do not directly collect, transmit, and store financial information, such as credit cards and other payment information, except in very limited circumstances related to Enterprise customers, we utilize third-party payment processors who provide payment processing services on our behalf. We also collect and store certain personal information provided by our customers, educator partners, learners, and potential learners, such as names, email addresses, and other data pertaining to their activity on our platform. The collection, transmission, and storage of such information is subject to stringent legal and regulatory obligations. Some of our third-party service providers, such as identity verification and payment processing providers, also regularly have access to personal information. In an effort to protect personal, confidential, or otherwise sensitive information, we rely on a variety of security measures, including encryption and authentication technology licensed from third parties. However, advances in computer capabilities, increasingly sophisticated tools and methods used by hackers and cyberterrorists, new discoveries in the field of cryptography, or other developments may result in our failure or inability to adequately protect this information. In addition, there may be scamming or phishing attempts, such as impersonating our personnel, our customers' personnel, or our educator partners' personnel, in an effort to obtain personal information from our learners or otherwise make inappropriate use of our platform, which could expose us to liability, reduce learner, customer, and educator partner satisfaction with our platform, or damage our reputation. For example, we have had several instances of users impersonating professors and inviting learners to off-platform forums in an effort to entice the learners to buy unrelated educational content.

Our platform is vulnerable to power outages, telecommunications failures, and catastrophic events, as well as computer viruses, worms, malicious code, break-ins, phishing attacks, denial-of-service attacks, ransomware, and other cyberattacks. Any of these incidents could lead to interruptions or shutdowns of our platform, loss or unauthorized disclosure of personal, confidential, or otherwise sensitive information. Cyberattacks could also result in the theft of our IP. As we gain greater global visibility, we may face a higher risk of being targeted by cyberattacks. Advances in computer capabilities, new technological discoveries, or other developments may result in cyberattacks becoming more sophisticated and more difficult to detect.

Failure or perceived failure by us to comply with our privacy or data protection legal obligations, or any security breach that impacts personal, confidential, or otherwise sensitive information may result in government enforcement actions, litigation, or negative publicity and could cause learners to lose trust in us, which could have an adverse effect on our business. Furthermore, under the terms of our agreements with educator partners and customers, and our primary legal obligations, we are responsible for the costs of investigating and disclosing security breaches. In addition to costs associated with investigating and fully disclosing a security breach in such instances, we could be subject to substantial costs to remedy the data breach, substantial monetary fines, or private claims by affected parties, and our reputation would likely be harmed.

Further, if we, or our third-party service providers, experience security breaches that result in platform performance or availability problems or the loss or unauthorized disclosure of personal, confidential, or otherwise sensitive information, our reputation and ability to maintain existing or attract new, learners, customers, and educator partners could be materially adversely affected. Learners could decline to enroll or stay enrolled in our educator partners' programs, customers could terminate our agreements or stop paying for our services, and educator partners could scale back their programs or elect to not renew their agreements. We could be subject to third-party lawsuits, regulatory fines, or other action or liability. Further, any reputational damage resulting from breach of our security measures could create distrust of our Company by prospective learners, customers, or educator partners.

We, and our third-party service providers, may not have the resources or technical sophistication to anticipate or prevent all such cyberattacks. Moreover, techniques used to obtain unauthorized access to systems change frequently and may not be known until launched against us or our third-party service providers. Security breaches can also occur as a result of non-technical issues, including intentional or inadvertent breaches by our employees or our third-party service providers' employees or theft or loss of devices.

We expect to incur ongoing costs associated with the detection and prevention of security breaches and other security-related incidents. We may incur additional costs in the event of a security breach or other security-related incident. Any actual or perceived compromise of our systems or data security measures or those of third parties with whom we do business, or any failure to prevent or mitigate the loss of personal, confidential, or otherwise sensitive information and delays in detecting or providing notice of any such compromise or loss could negatively impact us. These security breaches could, among others, disrupt our operations, harm the perception of our security measures, damage our reputation, cause some learners or educator partners to decrease or stop their use of our platform or relationships with us, and could subject us to litigation, government action, increased transaction fees, regulatory fines or penalties, or other additional costs and liabilities that could harm our business, financial condition, and operating results.

We cannot be certain that our insurance coverage will cover or be adequate for data protection or cyber-related liabilities or loss of revenue if our platform is unavailable for any reason, that insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or coinsurance requirements, could have a material and adverse effect on our business, including our financial condition, operating results, and reputation.

Disruption to or failures of our platform could result in our educator partners and learners becoming dissatisfied with our platform and could harm our reputation.

The performance and reliability of our platform and the underlying technology are critical to our operations, reputation, and ability to attract and retain learners, customers, and educator partners. We must provide our learners with the ability to access our platform on a frequent and reliable basis, and our educator partners rely on the availability of our platform to offer their content online. Our platform is complex and relies on cloud infrastructure provided by third parties, and may contain defects, errors, or vulnerabilities, or may not perform as contemplated. These errors, defects, disruptions, breaches, or other performance problems with our platform could damage our, or our educator partners', reputations, decrease learner, customer, or educator partner satisfaction and retention, negatively impact our ability to attract new learners, customers, and educator partners, and could result in large indemnity payments to them for losses suffered or incurred in connection with any such defects or errors on our platform, or other liabilities relating to or arising from our platform. In addition, sustained or recurring disruptions in our platform or its underlying technology could adversely affect our, or our educator partners', compliance with applicable regulations and accrediting body standards.

Further, if we fail to accurately predict the rate or timing of our platform growth, we may be required to incur significant additional costs to maintain reliability. We also depend on the development and maintenance of the internet infrastructure, including maintenance of reliable internet networks with the necessary speed, data capacity, and security. If we experience failures in our technology infrastructure or do not expand our technology infrastructure successfully, then our ability to attract and retain learners, customers, and educator partners, our growth prospects, and our business could suffer.

From time to time, we have experienced and expect to continue experiencing interruptions, delays, and outages in service and availability due to a variety of factors. These factors include infrastructure changes, human or software errors, website hosting disruptions, capacity constraints, and lack of network connectivity in one or more regions, which could affect the availability of services on our platform and prevent or inhibit our learners' ability to access or complete courses and programs on our platform. Our technology infrastructure is currently hosted in third-party data centers, and our platform and underlying technology is supported by multiple third-party providers. Any disruption in our third-parties' services or any failure of our third-party service providers to handle the demands of our platform could significantly harm our business and damage our reputation. We do not have control over their operations or their facilities, and these facilities may be vulnerable to damage or interruption from natural disasters, cybersecurity attacks, terrorist attacks, power outages, and similar events or acts of misconduct.

If we do not maintain the compatibility of our learning management platform with third-party applications that our customers use, our revenue will decline.

A number of our customers integrate our learning management platform with certain learning management systems or learning experience platforms using application programming interfaces for user management, usage reporting, and content listings, and we expect this number of customers to grow. The functionality and popularity of our platform depends, in part, on our ability to integrate our platform with third-party applications and software. Third-party application and software providers may change their features, restrict our access, or alter their usage terms in ways that could negatively affect us. Such changes could functionally limit or terminate our ability to use them in conjunction with our platform, which could negatively impact our offerings and harm our business. If we fail to integrate our platform with new third-party applications and software that our learners, customers, and educator partners utilize, we may not be able to offer the functionality that they need, which would negatively impact our ability to generate revenue and adversely impact our business.

Our payments system depends on third-party providers and is subject to evolving laws and regulations.

We rely on third-party payment processors to manage learner and certain customer payments on our platform. These third-party service providers perform essential services such as card processing, currency exchange, identity verification, and fraud analysis. If these service providers do not perform adequately, terminate their relationships with us, refuse to renew their agreements on commercially reasonable terms, or impose additional requirements, we may need to find alternative payment processors. We may not be able to secure similar terms or replace such payment processors in an acceptable timeframe. Further, the software and services provided by our third-party payment processors may not meet our expectations, contain errors or vulnerabilities, be compromised, experience outages, or such processors may impose additional authentication, validation, or other requirements. Any of these risks could cause us to lose our ability to accept online payments, conduct other payment transactions, or make it difficult for our customers to make payments to us, any of which could make our platform less convenient and attractive and harm our ability to attract and retain learners, customers, and educator partners. In addition, if these providers increase the fees they charge us, our operating expenses could increase.

Payment-related laws and regulations are complex and vary across different jurisdictions in the U.S. and globally, requiring us to spend significant time and effort to comply. Any failure or claim of our failure to comply, or any failure by our third-party service providers to comply, could cost us substantial resources, result in liabilities, or force us to stop offering certain third-party payment services. In addition, as we grow our international learner and customer base, we believe we will need to accommodate more local payment methods. As we expand the availability of new payment methods in the future, we may become subject to additional regulations and compliance requirements.

Further, through our agreement with our third-party credit card processors, we are indirectly subject to payment card association operating rules and certification requirements, including the Payment Card Industry Data Security Standard. We are also subject to rules governing electronic funds transfers. Any change in these rules and requirements could make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, we may be subject to additional fines and higher transaction fees and lose our ability to accept online payments, and our business and operating results could be adversely affected.

Our business depends to a significant degree on continued access to the internet and mobile networks.

Our learners, customers, and educator partners rely on access to the internet and mobile networks to access our platform. Internet service providers may choose to disrupt or degrade access to our platform or increase the cost of such access. Internet service providers or mobile network operators could also attempt to charge us for providing access to our platform. In January 2018, the Federal Communications Commission (the "FCC") released an order reclassifying broadband internet access as an information service, subject to certain provisions of Title I of the Communications Act. Among other things, the order eliminates rules adopted in 2015 that prohibited broadband providers from blocking, impairing, or degrading access to legal content, applications, services, or non-harmful devices, or engaging in the practice of paid prioritization (e.g., the favoring of some lawful internet traffic over other traffic in exchange for higher payments). The order was contested and affirmed in federal court, and the parties declined to appeal the decision to the Supreme Court. A number of states have also enacted or are considering legislation or executive actions that would regulate the conduct of broadband providers. Most recently, on January 2, 2025, the U.S. Court of Appeals for the Sixth Circuit struck down a rule by the FCC attempting to reclassify broadband as a regulated "telecommunications service" subject to the net neutrality rule. If the absence of net neutrality regulations leads to difficulties for our learners, customers, or educator partners to access our platform, we can face increased costs, lose existing learners, customers, and educator partners, face difficulties attracting new ones, and experience material and adverse impacts on our business and growth opportunities. Outside of the U.S., government regulation of the internet, including the idea of net neutrality, may be developing or non-existent. As a result, we could face discriminatory or anti-competitive practices that could impede our growth prospects, increase our costs, and harm our business.

If the mobile solutions available to our learners, customers, and educator partners are not effective, the use of our platform could decline.

Learners and customers have been increasingly accessing our platform through our mobile app. The smaller screen size and reduced functionality associated with some mobile devices may make the use of our platform more difficult or our customers and educator partners may believe that online learning through such mobile devices is not effective. Learners accessing our network primarily on mobile devices may not enroll in our content or programs as often as those accessing our platform through personal computers, which could result in less revenue for us. If we are not able to provide our customers and educator partners with the functionality to deliver a rewarding experience on mobile devices, their ability to attract learners to their programs may be harmed and, consequently, our business may suffer.

As new mobile devices and features are released, we may encounter problems in developing or supporting apps for them. In addition, supporting new devices and mobile device operating systems may require substantial time and resources.

The success of our mobile apps could also be harmed by factors outside our control, such as:

- actions taken by mobile app distributors;
- unfavorable treatment received by our mobile apps, especially as compared to competing apps, such as the placement of our mobile apps in a mobile app download store;
- increased costs in the distribution and use of our mobile app; or
- changes in mobile operating systems, such as iOS and Android, that degrade the functionality of our mobile website or mobile apps or that give preferential treatment to competitive offerings.

If our learners, customers, or educator partners encounter difficulty accessing or using, or if they choose not to use, our mobile solutions, our growth prospects and our business may be adversely affected.

Our use and processing of personal information and other data is subject to laws and obligations relating to privacy and data protection, and our failure to comply with such laws and obligations could harm our business.

In the ordinary course of our business, and in particular in connection with merchandising our services to our learners, we collect, process, store, and use personal information and data supplied by learners. Numerous federal, state, and foreign laws, rules, and regulations govern privacy, data protection, and the collection, use, and protection of personal information and other types of data we collect, use, disclose, and otherwise process. These laws, rules, and regulations are constantly evolving, and we expect that there will continue to be new proposed laws, regulations, and industry standards concerning privacy, data protection, and information security in the U.S., the EU, and globally.

In the U.S., where applicable, the California Consumer Privacy Act ("CCPA") grants California consumers rights to access, delete, and opt out of the sale of their personal information, while imposing operational requirements on businesses. The California Privacy Rights Act ("CPRA") amended the CCPA in 2023 and increased compliance obligations and associated costs for businesses. The CPRA introduced new obligations on businesses, including for handling sensitive personal information and offering opt-outs for cross-context behavioral advertising, and established a dedicated state agency for enforcement. Additionally, numerous other U.S. states have passed privacy laws, and there are a number of additional proposals for U.S. federal and state privacy laws that could increase our potential liability, add layers of complexity to compliance in the U.S. market, increase our compliance costs, and adversely affect our business. In addition, all 50 states have laws, including obligations to provide security breach notifications of computer databases that contain personal information to affected individuals, state officers, and others. Aspects of these U.S. state privacy laws and other laws and regulations relating to data protection, privacy, and information security, as well as their enforcement, remain unclear, and we may be required to modify our practices in an effort to comply with them.

Where applicable, the EU General Data Protection Regulation and the UK General Data Protection Regulation (together, "GDPR") impose stringent data protection requirements on businesses. The GDPR is wide-ranging in scope and imposes numerous requirements on companies that process personal information subject to the GDPR. These requirements include ensuring that lawful bases exist for all processing of personal information, providing information to individuals about these processing activities, implementing safeguards to protect the security of personal information, notifying data protection authorities and impacted individuals about security breaches impacting personal information in certain circumstances, and implementing certain measures (including contractual obligations) when engaging processors of personal information or implementing appropriate safeguards for certain cross-border transfers of personal information. The GDPR also provides individuals with various rights in respect of their personal information, including rights of access, erasure, portability, rectification, restriction, and objection. Complying with the GDPR remains an onerous and potentially costly obligation as interpretations of the specific requirements emerge through the courts, enforcement decisions, and regulatory guidance. The European Commission issued an adequacy decision in respect of the EU-U.S. Data Privacy Framework (the "Framework") on July 10, 2023, permitting organizations certified under the Framework to transfer personal information from the EU to U.S. without additional transfer mechanisms. The Framework also applies to transfers from the UK to the U.S. as of October 12, 2023. While we are certified under the Framework, legal challenges to the validity of the Framework have been lodged in the EU, with further challenges expected.

Data privacy laws, rules, and regulations in other countries may also impact our business, such as laws in the People's Republic of China, Singapore, Brazil, and India.

Furthermore, future laws, rules, and regulations with respect to AI in the U.S. or internationally may significantly impact our business. In March 2024, the European Commission adopted the Artificial Intelligence Act ("AI Act"), which is expected to take full effect in 2026. The AI Act will introduce significant compliance obligations and regulatory fines for breaches on all operators of AI systems. A particular risk of the AI Act is the potential classification of certain uses of AI systems in an educational context as high risk, significantly increasing the compliance burden associated with running such AI systems and which may bring into question the feasibility of operating AI systems for certain use cases.

We cannot yet fully determine the impact that these or future laws, rules, and regulations may have on our business or operations. These laws, rules, and regulations may be inconsistent from one jurisdiction to another, subject to differing interpretations, and may be interpreted to conflict with our practices.

Additionally, we may be bound by contractual requirements applicable to our collection, use, processing, and disclosure of various types of data, including personal information, and may be bound by, or voluntarily comply with, self-regulatory or other industry standards relating to these matters. Any failure or perceived failure by us or any third parties with which we do business to comply with these laws, rules, and regulations, or with other obligations to which we or such third parties are or may become subject, may result in actions against us by government entities or private claims and litigation. For example, in 2023 a class action lawsuit alleging certain violations of the VPPA was filed against us, which was dismissed with prejudice after the parties agreed to a mutual release of claims without monetary settlement in January 2025. Any such action may subject us to substantial legal and other costs, may require substantial time and resources to defend, may result in fines, penalties, or other liabilities, and likely would damage our reputation and adversely affect our business and operating results. In many jurisdictions, enforcement actions and consequences for non-compliance with protection, privacy, and information security laws and regulations are rising. In the U.S., possible consequences for non-compliance include enforcement actions in response to rules and regulations promulgated under the authority of federal agencies, state attorneys general, legislatures, and consumer protection agencies. In the EU, data protection authorities may impose large penalties for violations of the data protection laws, including potential fines of up to €20 million or 4% of annual global revenue, whichever is greater. Data protection authorities have shown a willingness to impose significant fines on businesses and issue orders preventing them from processing personal information. Individuals and consumer associations also have a right of action to lodge complaints with data protection authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of applicable data protection laws. In addition, privacy advocates and industry groups have regularly proposed, and may propose in the future, self-regulatory standards that may legally or contractually apply to us. If we fail to follow these standards, even if no learner information is compromised, we may incur significant fines or other costs.

Further, in view of new or modified federal, state, or foreign laws and regulations, industry standards, contractual obligations, and other legal obligations, or any changes in their interpretation, we may find it necessary or desirable to fundamentally change our business activities and practices or to expend significant resources to modify our services, and otherwise adapt to these changes. We may be unable to make such changes and modifications in a commercially reasonable manner or at all, and our ability to develop new features could be limited. Privacy, data protection, and information security concerns, whether valid or invalid, may inhibit the use and growth of our platform, particularly in certain foreign countries.

Our use of social media, emails, push notifications, and text messages in ways that do not comply with applicable laws and regulations, may lead to the loss or infringement of IP, result in unintended disclosure, harm our reputation, or subject us to fines or other penalties.

We use social media, emails, push notifications, and text messages as part of our omnichannel marketing approach. As laws and regulations evolve to govern the use of these channels, the failure by us, our employees, our educator partners, or third parties acting at our direction to comply with these laws and regulations could adversely affect our reputation or subject us to fines or other penalties. In addition, our employees, our educator partners, or third parties acting at our direction may knowingly or inadvertently make use of social media in ways that could lead to the loss or infringement of IP, as well as the public disclosure of proprietary, confidential, or sensitive personal information of our business, employees, learners, customers, educator partners, or others. Information concerning us, our learners, customers. or educator partners, whether accurate or not, may be posted on social media platforms at any time and may have an adverse impact on our brand, reputation, or business. The harm may be immediate without affording us an opportunity for redress or correction and could have a material adverse effect on our reputation, business, operating results, financial condition, and prospects.

Risks Related to Intellectual Property

Any failure to obtain, maintain, protect, or enforce our IP and proprietary rights could impair our ability to protect our proprietary technology and our brand and could materially harm our business.

We rely on a combination of IP rights, contractual protections, and other practices to protect our brand, proprietary information, technologies, and processes. We primarily rely on patent, copyright, trademark, and trade secret laws to protect our proprietary technologies and processes, including key algorithms. Others may independently develop or acquire similar technologies or processes. Such independently developed similar technologies or processes may not be infringing technology, and we might not be able, or may decide not to, pursue enforcement action, which may allow third parties to provide a service similar to ours and could harm our competitive position. Our principal trademark assets include the registered trademark “Coursera” and our logos and taglines. We also hold the rights to the “Coursera.org” internet domain name and various related domain names, which are subject to global internet regulatory bodies and laws. If we are unable to protect our trademarks or domain names, our brand recognition and reputation would suffer, we would incur significant expense establishing new brands, and our operating results would be adversely impacted. We cannot guarantee that pending patent applications will result in patents that provide effective protection. Even issued patents may be circumvented or challenged before the U.S. Patent and Trademark Office. In addition, we cannot assure you that every significant feature of our technology and services will be protected by any patent or patent application. Further, to the extent we pursue patent protection for our innovations, patents we may apply for may not be issued, and issued patents may not provide us with any competitive advantages. There can be no assurance that any patents we obtain will adequately protect our inventions or survive a legal challenge, as the legal standards relating to the validity, enforceability, and scope of protection of patent and other IP rights are uncertain.

Third parties may challenge or infringe on our patents, copyrights, trademarks, and other IP and proprietary rights owned or held by us. We may be required to spend significant resources to monitor and protect our IP rights, and our efforts may not be sufficient. Even if we do detect violations, enforcement, including litigation, could be time-consuming and expensive, diverting management’s attention and potentially leading to defenses and counterclaims. If we are unable to cost-effectively protect or enforce our IP rights, then our business could be harmed. An adverse decision in any of these legal actions could limit our ability to assert our IP or proprietary rights, limit the value of our IP or proprietary rights, or otherwise negatively impact our business, financial condition, and results of operations. If the protection of our IP and proprietary rights is inadequate to enforce and prevent use or misappropriation by third parties, the value of our brand and other intangible assets may be diminished, competitors may be able to more effectively mimic our service and methods of operations, the perception of our business and service to customers and potential customers may become confused in the marketplace, and our ability to attract customers may be adversely affected.

In addition, the development of sophisticated AI technologies creates new avenues for potential infringement of our or our educator partners’ IP rights. There is growing risk that third parties may use our content, data sets, or other proprietary materials without our authorization to “train” AI applications. Such unauthorized use could create derivative works that may or may not infringe on our IP or that of our educator partners. Conversely, we may face claims alleging that our own use of AI technologies infringes on the IP rights of others. Navigating this evolving legal landscape could be costly, divert significant management attention, or harm our business.

We may be subject to IP claims, which are extremely costly to defend, could require us to pay significant damages, and could limit our ability to use certain technologies in the future.

Companies in the technology industry frequently face litigation for alleged infringement or other violations of IP rights. We periodically receive notices claiming we have infringed, misappropriated, or misused other parties’ IP rights. As our public recognition grows, the risk of facing IP claims increases. Any IP claims against us, with or without merit, could be time consuming and expensive to settle or litigate and could divert the attention of our management. Litigation regarding IP rights is inherently uncertain due to the complex issues involved, and we may not be successful in defending ourselves in such matters.

In addition, some of our competitors have extensive portfolios of issued patents and significant resources to enforce their IP rights. Any claims successfully brought against us could subject us to significant liability for damages, and we may be required to stop using technology or other IP alleged to be in violation of a third party's rights. We also might be required to license, or we may decide to forgo litigation and seek a license to, third-party IP. Even if a license is available, we could be required to pay significant royalties or submit to unreasonable terms, which would increase our operating expenses. We may also be required to develop alternative non-infringing technology, which could require significant time and expense. If we cannot license or develop technology for any allegedly infringing aspect of our business, we would be forced to limit our service and may be unable to compete effectively. Any of these results could harm our business.

Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and proprietary information.

We have devoted substantial resources to the development of our IP and proprietary rights. In order to protect our IP and proprietary rights, we rely in part on confidentiality agreements with our employees, licensees, independent contractors, and other advisors. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover trade secrets and proprietary information, and in such cases, we could not assert any trade secret rights against such parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

Our use of open source software ("OSS") could negatively affect our ability to offer our solutions and subject us to possible litigation.

A substantial portion of our platform and our solutions incorporate OSS, and we may incorporate additional OSS in the future. OSS is generally freely accessible, usable, and modifiable. Certain OSS licenses may, in certain circumstances, require us (i) to offer our solutions that incorporate OSS for no cost, (ii) to make available source code for modifications or derivative works we create based upon incorporating or using OSS; and (iii) to license such modifications or derivative works under the terms of the particular OSS license. Our efforts to monitor use of OSS, including our use of third-party software that has incorporated certain types of OSS into the software we license from such third party without our knowledge, may not be successful for ensuring compliance with such OSS licenses. If an author or other third party that distributes OSS we use were to allege non-compliance with the license conditions, we may incur significant legal expenses defending against such allegations. We could also be required to disclose our proprietary code and could be subject to significant damages. This could include injunctions preventing us from offering our solutions that contain the OSS, or being required to comply with one or more license conditions, including paying substantial licensing fees for the continued use of such OSS. Any of these outcomes could disrupt our ability to offer the affected solutions. We could also be subject to suits by parties claiming ownership of what we believe to be OSS. Litigation could consume management's time and attention, be costly for us to defend, and have a negative effect on our operating results and financial condition.

Individuals that appear in content hosted on our platform may claim violation of their rights.

Instructors and learners featured in video segments hosted on our platform may claim that we did not obtain proper assignments, licenses, consents, and releases for using their likenesses, images, or other contributed content. Although our educator partners are contractually required to secure these rights for their course material, we cannot be certain that they have done so. Moreover, the laws governing rights of publicity and privacy, and the laws governing instructor ownership of educational content, are imprecise and adjudicated on a case-by-case basis, such that the enforcement of agreements to transfer the necessary rights is unclear. As a result, we could incur liability to third parties for the unauthorized duplication, display, distribution, or other use of this material. Any such claims could subject us to costly litigation and impose a significant strain on our financial resources and management personnel, regardless of whether the claims have merit. Our various liability insurance coverages may not cover potential claims of this type adequately or at all, and we may be required to alter or cease our use of such material, which may include changing or removing content from courses, or to pay monetary damages. Moreover, claims by instructors and learners could damage our reputation, regardless of whether such claims have merit.

Risks Related to Tax, Accounting, and Operations

Our business is subject to indirect taxes.

The application of indirect taxes, such as sales and use taxes, value-added taxes, provincial taxes, goods and services taxes, business taxes, digital service taxes, and gross receipt taxes to businesses like ours is complex and constantly evolving. Significant judgment is required to evaluate applicable tax obligations, and we record estimates that could change. In many cases, the ultimate tax determination is uncertain because it is not clear how existing statutes may apply to our business. Federal, state, local, or foreign jurisdictions may seek to impose additional reporting, recordkeeping, or indirect tax collection obligations on businesses like ours that facilitate e-commerce. For example, in 2018, the U.S. Supreme Court ruled that, in certain situations, states can require online merchants to collect and remit sales taxes on transactions in the state despite not having a physical presence in the state. Changes to indirect tax law could lead to substantial costs for tax collection, remittance, and audit responses, which could affect our operating results or harm our business in the event that we change our pricing to account for the increased obligations.

Amendments to existing tax laws, rules, or regulations or enactment of new unfavorable tax laws, rules, or regulations could have an adverse effect on our business and operating results.

Many of the underlying laws, rules, and regulations imposing taxes and other obligations were established before the growth of the internet and e-commerce. U.S. federal, state, local, and foreign taxing authorities are currently reviewing the appropriate treatment of companies engaged in e-commerce and considering changes to existing tax or other laws that could levy sales, income, consumption, use, or other taxes relating to our activities, and/or impose obligations on us to collect such taxes. If such tax or other laws, rules, or regulations are amended, or if new laws, rules, or regulations are enacted, the results could increase our tax payments or other obligations, prospectively or retrospectively, subject us to interest and penalties, decrease the demand for our services if we pass on such costs to our learners, customers, or educator partners, result in increased costs to update or expand our technological or administrative infrastructure, or effectively limit the scope of our business activities if we decided not to conduct business in particular jurisdictions. As a result, these changes may have a material adverse effect on our business, results of operations, financial condition, and prospects.

Our ability to use our net operating loss ("NOL") carryforwards and certain other tax attributes may be limited.

We have incurred substantial federal NOLs during prior periods. NOLs may carry forward to offset future taxable income; however, they could expire unused and be unavailable to offset future income tax liabilities. Specifically, the Tax Cuts and Jobs Act imposes certain limitations on the deduction of NOLs generated in tax years that began on or after January 1, 2018, including a limitation on use of NOLs to offset only 80% of taxable income and the disallowance of NOL carrybacks. Although NOLs generated in tax years before 2018 may still be used to offset future income without limitation, the recent legislation, among other regulatory and economic changes, may limit our ability to use our NOLs to offset any future taxable income. Our NOLs may similarly expire under state laws. In addition, under the rules of Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, if a corporation undergoes an "ownership change", generally defined as a greater than 50% change (by value) in its equity ownership over a three-year period, the corporation's ability to use its NOLs and other pre-change tax attributes to offset its post-change taxable income or taxes may be limited. The applicable rules generally operate by focusing on changes in ownership among stockholders considered by the rules as owning, directly or indirectly, 5% or more of the stock, as well as changes in ownership arising from new issuances of stock by the company. As a result of these rules, in the event that we experience one or more ownership changes as a result of future transactions in our stock, we may be limited in our ability to use our NOL carryforwards to offset our future taxable income, if any.

Our reported results of operations may be adversely affected by changes in generally accepted accounting principles.

Generally accepted accounting principles in the U.S. are subject to interpretation by the Financial Accounting Standards Board, the U.S. Securities and Exchange Commission ("SEC"), and various bodies formed to promulgate and interpret accounting principles. A change in these principles or interpretations could have a significant effect on our reported results of operations and could affect the reporting of transactions completed before the effective date of the change. It is difficult to predict the impact of future changes to accounting principles or our accounting policies, any of which could negatively affect our reported financial position or results of operations.

If our internal control over financial reporting ("ICOFR") or our disclosure controls and procedures are not effective, we may not be able to accurately report our financial results, prevent fraud, or file our periodic reports in a timely manner, which may cause investors to lose confidence in our reported financial information and may lead to a decline in our stock price.

We are required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act ("SOX"). In addition, our independent registered public accounting firm is required to annually attest to the effectiveness of our ICOFR. SOX requires that we maintain effective ICOFR and disclosure controls and procedures. In particular, on an ongoing basis, we must perform system and process evaluations, document our controls, and perform testing of our key controls over financial reporting to allow management and our independent public accounting firm to report on the effectiveness of our ICOFR. If we are not able to comply with SOX requirements, or if we, or our independent public accounting firm, identify deficiencies in our ICOFR that are deemed to be material weaknesses, our stock price would likely decline, and we could be subject to lawsuits, sanctions, or investigations by regulatory authorities, which would require additional financial and management resources.

We may encounter difficulties in the timely and accurate reporting of our financial results, which would impact our ability to provide our investors with information in a timely manner. As a result, our investors could lose confidence in our reported financial information, and our stock price could decline.

Our operations as a public company require substantial costs and substantial management attention, and we may not be able to manage our operations as a public company effectively or efficiently.

As a public company, we incur significant legal, accounting, and other expenses. Our management team and other personnel devote a substantial amount of time to, and we may not effectively, or efficiently manage our operations as a public company. For example, we are subject to the reporting requirements of the Exchange Act, the applicable requirements of SOX and the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the rules and regulations of the SEC and the New York Stock Exchange. If, notwithstanding our efforts to comply with these laws, regulations, and standards, we fail to comply, regulatory authorities may initiate legal proceedings against us, and our business may be harmed. Further, failure to comply with these rules might make it more difficult for us to obtain some types of insurance, including director and officer liability insurance, and we might be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for us to attract and retain qualified persons to serve on our Board, on committees of our Board, or as members of senior management. As such, we invest resources to comply with evolving laws, regulations, and standards. This investment results in increased general and administrative expenses.

If we are unable to recruit and retain skilled accounting and finance personnel, the quality and timeliness of our financial reporting may suffer, which could result in the identification of material weaknesses in our internal controls. Any consequences resulting from inaccuracies or delays in our financial reports filed with the SEC could cause our stock price to decline and could harm our business, financial condition, and results of operations.

Risks Related to Our Common Stock

Our stock price has been volatile in the past and may be volatile in the future, and you may lose all or part of your investment.

Our stock price has been volatile in the past and may be volatile in the future, and it has experienced declines in the past and may experience future declines. As a result, you may not be able to resell your shares at or above the price at which your shares were acquired. Our stock price and its trading volume could fluctuate significantly in response to numerous factors, many of which are beyond our control, including:

- variations in our operating results and other financial and operational metrics, including the key financial and operating metrics disclosed in this Form 10-Q, as well as how those results and metrics compare to analyst and investor expectations;
- speculation in the market about our operating results;
- the financial projections we may provide to the public, any changes in these projections, or our failure to meet these projections;

- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates or ratings by any securities analysts who follow us, or our failure to meet these estimates or investor expectations;
- events or factors resulting from global health crises, war or other outbreak of hostilities, geopolitical tensions, acts of terrorism, responses to these events, or the perception that any such factors or events may occur;
- announcements of new services or enhancements, strategic alliances or significant agreements, or other developments by us or our competitors;
- announcements by us or our competitors of mergers or acquisitions or rumors of such transactions involving us or our competitors;
- changes in management, other key personnel, or our Board;
- disruptions in our platform due to hardware, software, network problems, security breaches, or other issues;
- the strength of the global economy or the economy in the jurisdictions in which we operate, and market conditions in our industry and those affecting our educator partners and learners;
- trading activity by our principal stockholders, and other market participants, in whom ownership of our common stock may be concentrated;
- market perception of, or reaction to, our restructuring and expense reduction initiatives, including the initiative announced in October 2024 (refer to Note 14, *Restructuring Related Charges*, included in Part I, Item 1 of this Form 10-Q);
- price and volume fluctuations, and general volatility, in the overall stock market;
- the performance of the equity markets in general and in our industry;
- the operating performance of other similar companies;
- actual or anticipated developments in our business, our competitors' businesses, or the competitive landscape generally;
- new laws or regulations, new interpretations of existing laws, or regulations applicable to our business;
- litigation or other claims against us;
- the number of shares of our common stock that are available for public trading; and
- any other factors discussed in this Form 10-Q.

In addition, if the market for technology stocks, education stocks, or the stock market in general experiences a loss of investor confidence, whether due to any of the foregoing factors or otherwise, our stock price could decline for reasons unrelated to our business, results of operations, or financial condition. Our stock price might also decline in reaction to events that affect other companies, even if those events do not directly affect us. These broad market fluctuations, as well as general economic, political, and market conditions, such as recessions or inflation, may cause declines in our stock price, and you may not realize any return on your investment in us and may lose some or all of your investment.

Some companies that have experienced volatility in their stock price have been the subject of securities class action litigation. If we are the subject of such litigation, it could result in substantial costs and could divert our management's attention and resources, which could adversely affect our business.

In addition, we grant equity awards to employees, directors, and other service providers pursuant to our equity incentive plans (refer to Note 11, *Employee Benefit Plans*, included in Part I, Item 1 of this Form 10-Q for details on shares of common stock issuable upon exercise of stock options or vesting of restricted and performance stock units). Eligible employees may purchase shares of common stock semi-annually at a discount under our employee stock purchase plan. Sales of stock by these equity holders, or the perception that such sales could occur, could negatively impact our stock price. Additionally, future issuances of common stock, convertible securities, or other equity could dilute current investors and potentially cause our stock price to decline. New investors in such issuances could also receive rights senior to those of existing common stockholders.

Our actual operating results may not meet our guidance or analyst or investor expectations, which would likely cause our stock price to decline.

From time to time, we have released and may continue to release guidance in our earnings releases, earnings conference calls, or otherwise, regarding our expectations for future performance as of the date of release. If given, this guidance, which will include forward-looking statements, will be based on management's projections. Projections are based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond our control. The principal reason that we expect to continue to release guidance is to provide a basis for our management to discuss our business outlook with analysts and investors. With or without our guidance, analysts and investors may publish or otherwise have expectations regarding our business, financial condition, and results of operations, for which we do not accept any responsibility. Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions of the guidance furnished by us or analysts will not materialize or will vary significantly from actual results. If our actual performance does not meet or exceed our guidance or analyst or investor expectations, our stock price is likely to decline.

We do not intend to pay dividends on our common stock for the foreseeable future, so any returns on your investment will be limited to changes in the value of our common stock.

We have never declared or paid any dividends on our common stock. We currently anticipate that we will retain future earnings for the development, operation, and expansion of our business and do not anticipate declaring or paying any dividends for the foreseeable future. In addition, if we were to enter into loan or similar agreements in the future, these agreements may contain restrictions on our ability to pay dividends or make distributions. Any return to stockholders will therefore be limited to the increase, if any, in our stock price, which may never occur.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of our Company more difficult, limit attempts by our stockholders to replace or remove our current management, and reduce our stock price.

Provisions in our amended and restated certificate of incorporation and bylaws, may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and bylaws include provisions that:

- authorize our Board to issue, without further action by the stockholders, shares of undesignated preferred stock with terms, rights, and preferences determined by our Board that may be senior to our common stock;
- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;
- specify that special meetings of our stockholders can be called only by our Board, the Chairman of our Board, our President, or our Chief Executive Officer;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our Board;
- establish that our Board is divided into three classes, with each class serving three-year staggered terms;
- prohibit cumulative voting in the election of directors;
- provide that our directors may be removed only for cause;
- provide that vacancies on our Board may be filled by a majority of directors then in office, even if less than a quorum; and
- require the approval of our Board or the holders of at least 66 2/3% of our outstanding shares of capital stock to amend our bylaws and certain provisions of our certificate of incorporation.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in a broad range of business combinations with any interested stockholder for a period of three years following the date on which such stockholder became an interested stockholder. Further, as a PBC, we may be less attractive as a takeover target than a traditional company and, therefore, your ability to realize your investment through an acquisition may be limited. Any delay or prevention of a change of control transaction or changes in our management could cause our stock price to decline or could prevent or deter a transaction that you might support.

The exclusive forum provision in our organizational documents may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, which may discourage lawsuits with respect to such claims.

Our amended and restated certificate of incorporation and bylaws provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware (or, if that court lacks subject matter jurisdiction, another federal or state court situated in the State of Delaware) shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws, or (iv) any action asserting a claim against us governed by the internal affairs doctrine. Our amended and restated charter and bylaws further provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts are the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.

Our amended and restated bylaws also provide that, to the fullest extent permitted by applicable law and unless we consent in writing to the selection of an alternative forum, the federal district courts of the U.S. will be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. The enforceability of similar exclusive federal forum provisions in other companies' organizational documents has been challenged in legal proceedings, and while the Delaware Supreme Court and certain other state courts have ruled that this type of exclusive federal forum provision is facially valid under Delaware law, there is uncertainty as to whether other courts would enforce such provisions and that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. This exclusive federal forum provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts of the U.S. have exclusive jurisdiction.

Any person or entity purchasing or otherwise acquiring any interest in our capital stock shall be deemed to have notice of and consented to the provisions of our amended and restated certificate of incorporation and bylaws described above. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage such lawsuits against us and our directors, officers, or other employees. Alternatively, if a court were to find these provisions of our bylaws inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition, and results of operations and result in a diversion of the time and resources of our management and Board.

Risks Relating to Our Existence as a Public Benefit Corporation

Although we operate as a Delaware PBC, we cannot assure that we will achieve our public benefit purpose.

As a Delaware PBC, we must operate in a responsible and sustainable manner, balancing our stockholders' pecuniary interests, the best interests of those materially affected by our conduct, and the public benefit identified in our certificate of incorporation. However, there is no assurance that we will achieve our public benefit purpose or realize the expected positive impact. Failure to do so could have a material adverse effect on our reputation, which in turn, may have a material adverse effect on our business, results of operations, and financial condition.

As a PBC, we are required to publicly report at least biennially on our overall public benefit performance and on our assessment of our success in achieving our specific public benefit purpose. If we are not timely, are unable to provide this report, or if the report is not viewed favorably by parties doing business with us or by regulators or others reviewing our credentials, our reputation and status as a PBC may be harmed.

If our publicly reported Certified B Corporation™ ("B Corp") score declines, if we lose our certified B Corp status, or if we choose not to renew our B Corp certification, our reputation could be harmed and our business could suffer.

We are certified as a B Corp through B Lab, which requires us to meet rigorous standards of social and environmental performance, accountability, and transparency. Our business model and brand could be harmed if we were to lose or if we were to choose not to renew our certification as a B Corp. We must undergo a reassessment every three years to maintain our B Corp certification, and we last completed such assessment in 2022. B Lab's certification requirements are subject to periodic changes and updates, including a recently-released proposed new framework, which if adopted in its present form, could make it more difficult to achieve certification. Whether due to our choice or our failure to meet B Lab's certification requirements, a loss of our certification could create a perception that we are more focused on financial performance and no longer as committed to the values expected of a B Corp. Likewise, our reputation could be harmed if our publicly reported B Corp score declines or if we take actions that are perceived to be misaligned with B Corp values.

As a PBC, our focus on a specific public benefit purpose and producing a positive effect for society may negatively impact our financial performance.

Unlike traditional Delaware corporations, whose directors have a fiduciary duty to focus exclusively on maximizing stockholder value, our directors have a fiduciary duty to consider not only stockholders' interests, but also the Company's specific public benefit and the interests of other stakeholders affected by our actions. Therefore, we may take actions that we believe will be in the best interests of those stakeholders materially affected by our specific benefit purpose, even if those actions do not maximize our financial results. While our public benefit designation aims to provide an overall net benefit to us, our learners, customers, and educator partners, it may lead to decisions and actions that do not prioritize income generation, and hence may affect distribution to our stockholders. Our pursuit of longer-term or non-pecuniary benefits may not materialize within the timeframe we expect or at all and may have a negative effect on any amounts available for distribution to our stockholders. Accordingly, being a PBC and complying with our related obligations could harm our business, results of operations, and financial condition, which in turn could cause our stock price to decline.

Additionally, as a PBC, we may be less attractive as a takeover target than traditional companies and, therefore, your ability to realize your investment through an acquisition may be limited. PBCs may also not be attractive targets for activists or hedge fund investors because new directors would still have to consider and give appropriate weight to the public benefit along with stockholder value, and stockholders can enforce this through derivative suits. Further, by requiring the boards of directors of PBCs to consider additional constituencies other than maximizing stockholder value, Delaware PBC law could potentially make it easier for a board to reject a hostile bid, even where the takeover would provide the greatest short-term financial yield to investors.

Our directors have a fiduciary duty to consider not only our stockholders' interests, but also our specific public benefit and the interests of other stakeholders affected by our actions. If a conflict between such interests arises, there is no guarantee such a conflict would be resolved in favor of our stockholders.

As a PBC, our directors have a fiduciary duty to consider not only the stockholders' interests, but also the company's specific public benefit and the interests of other stakeholders affected by the company's actions. Under Delaware law, directors are shielded from liability for breach of these obligations if they make informed and disinterested decisions that serve a rational purpose. Thus, unlike traditional Delaware corporations that must focus exclusively on stockholder value, our directors are not merely permitted, but obligated, to consider our specific public benefit and the interests of other stakeholders. In the event of a conflict between the interests of our stockholders and the interests of our specific public benefit or our other stakeholders, our directors must only make informed and disinterested decisions that serve a rational purpose; thus, there is no guarantee such a conflict would be resolved in favor of our stockholders, which could harm our business, results of operations, and financial condition, which in turn could cause our stock price to decline.

Our focus on the long-term best interests of our Company as a PBC and our consideration of all of our stakeholders, including our stockholders, learners, customers, educator partners, employees, the communities in which we operate, and other stakeholders that we may identify from time to time, may conflict with short- or medium-term financial interests and business performance, which may negatively impact our stock price.

We believe that focusing on the long-term best interests of our Company as a PBC and our consideration of all of our stakeholders, including our stockholders, learners, customers, educator partners, employees, the communities in which we operate, and other stakeholders we may identify from time to time, is essential to the long-term success of our Company and to long-term stockholder value. Therefore, we have made, and may in the future, make decisions that we believe are in the long-term best interests of our Company and our stockholders, even if such decisions may negatively impact the short- or medium-term performance of our business, results of operations, and financial condition or the short- or medium-term performance of our common stock. Our commitment to pursuing long-term value for the Company and its stockholders, potentially at the expense of short- or medium-term performance, may have a material adverse effect on our stock price, including making ownership of our common stock less appealing to investors who are focused on returns over a shorter time horizon. Our decisions and actions aimed at achieving long-term success and enhancing long-term stockholder value—such as improving platform trust and safety, altering community support delivery, strengthening relationships with learners, customers, educator partners, and employees, introducing new offerings and services, investing in social impact initiatives, and adapting to regulatory changes—may not yield the anticipated long-term benefits. If these initiatives do not deliver the expected outcomes, our business, results of operations, financial condition, and our stock price could be materially adversely affected.

As a PBC, we may be subject to increased derivative litigation concerning our duty to balance stockholder and public benefit interests, the occurrence of which may have an adverse impact on our financial condition and results of operations.

Stockholders of a PBC (if they, individually or collectively, own the lesser of (i) two percent of the company's outstanding shares, or (ii) shares with a market value of $2 million or more on the date the lawsuit is instituted) are entitled to file a derivative lawsuit claiming the directors failed to balance stockholder and public benefit interests. Such derivative suits would be subject to the exclusive forum provision in our amended and restated certificate of incorporation, requiring them to be heard in the Delaware Chancery Court (or, if that court lacks subject matter jurisdiction, another federal or state court situated in the State of Delaware). This potential liability does not exist for traditional corporations. Therefore, we may be subject to the possibility of increased derivative litigation, which would require management's attention, and, as a result, may adversely impact our management's ability to effectively execute our strategy. Additionally, any such derivative litigation may be costly, which may harm our financial condition and results of operations.

If we cannot maintain our company culture and public benefit commitment, our business could be harmed.

We believe that our company culture has been critical to our success. In addition, we believe that our status as a PBC and our commitment to providing global access to flexible and affordable world-class learning that supports personal development, career advancement, and economic opportunity distinguish us from our competitors and promote a relationship founded on trust among our learners, customers, educator partners, and employees. However, we face a number of challenges that may affect our ability to sustain our company culture, including:

- a need to identify, attract, reward, and retain people in leadership positions in our organization who share and further our culture, values, mission, and public benefit objectives;
- the increasing size and geographic diversity of our workforce, and our ability to promote an inclusive and consistent culture for all of our employees;
- the market perception about our public benefit objectives;
- competitive pressures that may divert us from our mission, vision, and values;
- the continued challenges of a rapidly evolving industry; and
- the increasing need to develop expertise in new areas of business that affect us.

If we are unable to maintain our company culture and demonstrate our commitment to our mission as a PBC, it could harm our business and reputation.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 5. Other Information

Rule 10b5-1 Trading Arrangements

During the three months ended March 31, 2025, no director or officer (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as defined in Item 408 of Regulation S-K.

Item 6. Exhibits

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of Coursera, Inc. (incorporated by reference from Exhibit 3.1 filed with the registrant's Quarterly Report on Form 10-Q filed August 13, 2021).
3.2	Amended and Restated Bylaws of Coursera, Inc. (incorporated by reference from Exhibit 3.2 filed with the registrant's Quarterly Report on Form 10-Q filed August 13, 2021).
10.1+	Separation Agreement between Coursera, Inc. and Jeffrey N. Maggioncalda dated January 29,2025 (incorporated by reference from Exhibit 10.22 filed with the registrant's Annual Report on Form 10-K filed February 24, 2025).
10.2+	Retention Agreement between Coursera, Inc. and Kenneth R. Hahn dated January 29, 2025 (incorporated by reference from Exhibit 10.23 filed with the registrant's Annual Report on Form 10-K filed February 24, 2025).
10.3+*	Coursera, Inc. Cash Incentive Compensation Plan.
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1#	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2#	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 34-47986, the certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Exchange Act or deemed to be incorporated by reference into any filing under the Exchange Act or the Securities Act of 1933 except to the extent that the Company specifically incorporates it by reference.

\+ Indicates management contract or compensatory plan or arrangement.

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COURSERA, INC.

Date: May 1, 2025	By:	/s/ Gregory M. Hart
		Gregory M. Hart
		President, Chief Executive Officer, and Director
		(Principal Executive Officer)
Date: May 1, 2025	By:	/s/ Kenneth R. Hahn
		Kenneth R. Hahn
		Senior Vice President, Chief Financial Officer, and Treasurer
		(Principal Financial Officer)
Date: May 1, 2025	By:	/s/ Michele M. Meyers
		Michele M. Meyers
		Vice President, Accounting and Chief Accounting Officer
		(Principal Accounting Officer)

CASH INCENTIVE COMPENSATION PLAN

1. Purposes of the Plan. This Cash Incentive Compensation Plan (the "Plan") is intended to increase shareholder value and the success of Coursera, Inc., a Delaware public benefit corporation by attracting and retaining high-performing employees, and further linking a participant's interests with those of the Company's by creating a direct relationship between key business and individual performance measurements and individual bonus payouts. The Plan is effective as of April 23, 2025 until terminated.

2. Definitions.

(a) "Award" means as to any Performance Period, the actual award (if any) payable to a Participant for the Performance Period, subject to the Committee's authority under Section 5(d) to modify the award.

(b) "Affiliate" means any corporation or other entity (including, but not limited to, subsidiaries, partnerships and joint ventures) controlled by the Company.

(c) "Applicable Law" means any applicable federal, state, foreign, material local, or municipal or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, listing rule, regulation, judicial decision, ruling, or requirement issued, enacted, adopted, promulgated, implemented, or otherwise put into effect by or under the authority of any governmental or regulatory body or self-regulatory organization.

(d) "Board" means the Board of Directors of the Company, as constituted from time to time.

(e) "Bonus Pool" means the pool of funds available for distribution to Participants. Subject to the terms of the Plan, the Committee may establish a Bonus Pool for each Performance Period.

(f) "Code" means the U.S. Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder will include such section or regulation, any valid regulation promulgated thereunder, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(g) "Committee" means the Board's Human Resources and Compensation Committee (the "Committee")).

(h) "Company" means Coursera, Inc., a Delaware public benefit corporation, or any successor thereto.

(i) "Disability" means a permanent and total disability determined in accordance with uniform and nondiscriminatory standards adopted by the Committee from time to time.

(j) "Employee" means any executive officer, officer, or other employee of the Company or of an Affiliate, whether such individual is so employed at the time the Plan is adopted or becomes so employed subsequent to the adoption of the Plan.

(j) "Fiscal Year" means the fiscal year of the Company.

(k) "Participant" means as to any Performance Period, an Employee who has been selected by the Committee for participation in the Plan for that Performance Period.

(l) "Performance Period" means the period of time for the measurement of the performance criteria that must be met to receive an Award, as determined by the Committee in its sole discretion. Unless otherwise indicated by the Committee, the Performance Period will be the Company's Fiscal Year. A Performance Period may be divided into one or more shorter periods if, for example, but not by way of limitation, the Committee desires to measure some performance criteria over 12 months and other criteria over three months.

(m) "Plan" means this Cash Incentive Compensation Plan, as set forth in this instrument (including any appendix attached hereto) and as hereafter amended from time to time.

(n) "Target Award" means the target award, at 100% of target level performance achievement, payable under the Plan to a Participant for the Performance Period, as determined by the Committee in accordance with Section 5(b).

3. Administration

(a) Administration by the Committee. The Plan will be administered by the Committee. The Committee will be responsible for the general administration and interpretation of this Plan and for carrying out its provisions, including the authority to construe and interpret the terms of this Plan, determine the manner and time of payment of any Awards, prescribe forms and procedures for purposes of Plan participation and distribution of Awards, and adopt rules, regulations, and to take such actions as it deems necessary or desirable for the proper administration of this Plan. The Board will retain the authority to concurrently administer the Plan with the Committee.

(b) Delegation. The Committee, in its sole discretion and on such terms and conditions as it may provide, may delegate all or part of its authority and powers under the Plan to one or more directors and/or officers of the Company. Notwithstanding the above, the Committee shall administer the Plan with respect to the Company's "officers" within the meaning of Rule 16a-1(f) under the Securities Exchange Act of 1934 and other executives of the Company who are classified as "level E" or above (each, an "Executive"), including the approval of individual payouts under the Plan to any Executive.

(c) Decisions Binding. All determinations and decisions made by the Committee, the Board, and any delegate of the Committee pursuant to the provisions of the Plan will be final, conclusive, and binding on all persons, and will be given the maximum deference permitted by Applicable Law.

4. Eligibility. Employees of the Company and its Affiliates shall be eligible to participate in the Plan as determined at the sole discretion of the Committee.

5. Selection of Participants and Determination of Awards.

(a) Selection of Participants. The Committee, in its sole discretion, will select the Employees who will be Participants for any Performance Period. Participation in the Plan is in the sole discretion of the Committee, on a Performance Period by Performance Period basis. Accordingly, an Employee who is a Participant for a given Performance Period in no way is guaranteed or assured of being selected for participation in any subsequent Performance Period or Performance Periods.

(b) Bonus Pool. Each Performance Period, the Committee, in its sole discretion, may establish a Bonus Pool, which pool may be established before, during or after the applicable Performance Period. Awards may be paid from the Bonus Pool.

(c) Determination of Awards. In general, the Committee will determine the extent to which the performance goals have been achieved or exceeded, and the amount of each Participant's Award, if any, following the completion of each Performance Period.

(d) Discretion to Modify Awards. Notwithstanding any contrary provision of the Plan, the Committee may, in its sole discretion and at any time, increase, reduce or eliminate a Participant's Award. The Award may be below, at or above the Target Award, in the Committee's sole discretion. The Committee may determine the amount of any increase, reduction or elimination on the basis of such factors as it deems relevant, and will not be required to establish any allocation or weighting with respect to the factors it considers.

(e) Discretion to Determine Criteria. Notwithstanding any contrary provision of the Plan, the Committee, in its sole discretion, will determine the performance goals (if any) applicable to any Target Award (or portion thereof) which may include, without limitation, (i) annualized recurring revenue; (ii) attainment of research and development milestones, (iii) bookings, (iv) business divestitures and acquisitions, (v) cash flow, (vi) cash position, (vii) contract awards or backlog, (viii) customer renewals, (ix) customer retention rates, (x) earnings (which may include earnings before interest and taxes, earnings before taxes, and net taxes), including on an as adjusted basis (e.g. Adjusted EBITDA), (xi) basic or diluted earnings per share, (xii) expenses, (xiii) free cash flow, (xiv) gross margin, (xv) growth in stockholder value relative to the moving average of the S&P 500 Index or another index, (xvi) internal rate of return, (xvii) market share, (xviii) net income, (xix) net profit, (xx) net sales, (xxi) new product development, (xxii) new product invention or innovation, (xxiii) number of customers, (xxiv) operating cash flow, (xxv) operating expenses, (xxvi) operating income, (xxvii) operating margin, (xxviii) overhead or other expense reduction, (xxix) product defect measures, (xxx) product release timelines, (xxxi) productivity, (xxxii) profit, (xxxiii) retained earnings, (xxxiv) return on assets, (xxxv) return on capital, (xxxvi) return on equity, (xxxvii) return on investment, (xxxviii) return on sales, (xxxxix) revenue or portions of revenue (e.g. segment revenue or new student degree revenue), (xl) revenue growth, (xli) sales results, (xlii) sales growth, (xliii) stock price, (xliv) time to market, (xlv) total stockholder return, (xlvii) working capital, (xlvii) annual contract value , and (xlviii) individual objectives such as peer reviews or other subjective or objective criteria. As determined by the Committee, the performance goals may be based on generally accepted accounting principles ("GAAP") or non-GAAP results and any actual results may be adjusted by the Committee for one-time items or unbudgeted or unexpected items and/or payments of Awards under the Plan when determining whether the performance goals have been met. The goals may be on the basis of any factors the Committee determines relevant, and may be on an individual, divisional, business unit, segment or Company-wide basis. Any criteria used may be measured on such basis as the Committee determines, including but not limited to, as applicable, (A) in absolute terms, (B) in combination with another performance goal or goals (for example, but not by way of limitation, as a ratio or matrix), (C) in relative terms (including, but not limited to, results for other periods, passage of time and/or against another company or companies or an index or indices), (D) on a per-share basis, (E) against the performance of the Company as a whole or a segment of the Company and/or (F) on a pre-tax or after-tax basis. The performance goals may differ from Participant to Participant and from award to award, subject to Applicable Law. The Committee also may determine that a Target Award (or portion thereof) will not have a performance goal associated with it but instead will be granted (if at all) in the sole discretion of the Committee.

(f) Adjustments. The Committee is authorized to adjust or modify the calculation of a performance goal for a Performance Period in its sole discretion, including but not limited to in connection with any one or more of the following events: asset write-downs; significant litigation or claim judgments or settlements; the effect of changes in tax laws, accounting standards or principles, or other laws or regulatory rules affecting reporting results; any reorganization and restructuring programs; acquisitions or divestitures; goodwill and intangible asset impairment charges; any other specific unusual or nonrecurring events or objectively determinable category thereof as determined under generally accepted accounting principles; foreign exchange rates; and a change in the Company's fiscal year. The Committee may also adjust or eliminate the compensation or economic benefit due upon attainment of performance goals in its sole discretion, subject to the limitations of the Plan and compliance with Applicable Law.

6. Payment of Awards.

(a) Right to Receive Payment. Each Award will be paid solely from the general assets of the Company. Nothing in this Plan will be construed to create a trust or to establish or evidence any Participant's claim of any right other than as an unsecured general creditor with respect to any payment to which he or she may be entitled.

(b) Timing of Payment. Payment of each Award shall be made as soon as practicable after the end of the Performance Period to which the Award relates and after the Award is approved by the Committee, but in no event later than the later of (i) the 15th day of the third month of the Fiscal Year immediately following the Fiscal Year in which the Participant's Award is first no longer subject to a substantial risk of forfeiture, and (ii) March 15 of the calendar year immediately following the calendar year in which the Participant's Award is first no longer subject to a substantial risk of forfeiture.

(c) Deferrals. The Committee, in its sole discretion, may permit a Participant to defer the payment of an Award that would otherwise be paid under the Plan. Any deferral election will be made in compliance with Applicable Law (including Section 409A of the Code, if applicable) and subject to such rules and procedures as will be determined by the Committee in its sole discretion.

(d) Continued Employment Requirement. Unless otherwise determined by the Committee, to earn an Award a Participant must be employed by the Company or any Affiliate on the date the Award is paid. The Committee may make exceptions to the continued employment requirement in the case of retirement, death or Disability or under other circumstances, as determined by the Committee in its sole discretion.

(e) Form of Payment. Each Award generally will be paid in cash (or its equivalent) in a single lump sum. The Committee reserves the right, in its sole discretion, to settle an Award with a grant of an equity award under the Company's then-current equity compensation plan.

7. General Provisions.

(a) Non-transferability. A Participant's rights and interests under the Plan, if any, are not assignable or transferable voluntarily or involuntarily or by operation of law.

(b) Withholding. The Company will have the right to withhold from any Award any federal, state, local, or foreign income and employment taxes required by Applicable Law.

(c) No Right to Award. Unless otherwise expressly set forth in an employment or other agreement between the Company or an Affiliate and a Participant, a Participant will not have any right to any Award under the Plan until such Award has been paid to such Participant. Participation in the Plan in one Performance Period does not connote any right to remain a Participant in the Plan in any future Performance Period.

(d) No Right to Employment. Nothing in the Plan will confer upon any person the right to continue in the employment of the Company or any Affiliate or affect the right of the Company or any Affiliate to terminate the employment of any Participant. The terms of this Plan do not form part of any employment or service agreement of a Participant and, to the extent a Participant has previously participated in any other bonus plan or scheme, participation in this Plan shall be conditional on participation in that other plan or scheme ceasing with immediate effect. For the avoidance of doubt, nothing contained in any employment or service agreement shall alter, amend or qualify the terms of the Plan (as amended from time to time).

(e) Non-Exclusive. Nothing in the Plan will limit the authority of the Company, the Board, or the Committee to adopt such other compensation arrangements as they may deem desirable for any Participant.

(f) Amendment or Termination of the Plan. The Board or the Committee may, at any time, amend, suspend, or terminate the Plan in whole or in part. Notwithstanding the foregoing, no amendment will adversely affect the rights of any Participant to Awards allocated prior to such amendment, suspension, or termination.

(g) Unfunded Status. Nothing contained in the Plan, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between the Company and any Participant, beneficiary, or legal representative or any other person. To the extent that a person acquires a right to receive payments under the Plan, such right will be no greater than the right of an unsecured general creditor of the Company.

(h) Governing Law. The Plan will be construed, administered, and enforced in accordance with the laws of the state of California without regard to conflicts of law.

(i) Section 409A of the Code. It is intended that payments under the Plan qualify as short-term deferrals exempt from the requirements of Section 409A of the Code. In the event that any Award does not qualify for treatment as an exempt short-term deferral, it is intended that such amount will be paid in a manner that satisfies the requirements of Section 409A of the Code. The Plan will be interpreted and construed accordingly.

(j) Severability. In the event that any provision of the Plan will be considered illegal or invalid for any reason, such illegality or invalidity will not affect the remaining provisions of the Plan, but will be fully severable.

(k) Successors. All obligations of the Company under the Plan with respect to Awards hereunder will be binding upon any successor to the Company.

(l) Clawback. All Awards are subject to clawback or recoupment under any clawback or recoupment policy adopted by the Board or the Committee in effect from time to time, or required by Applicable Law, during the term of Participant’s employment or other service with the Company that is applicable to officers, employees, directors, or other service providers of the Company. No recovery of compensation under such a clawback or recoupment policy will be an event giving rise to a right to voluntarily terminate employment upon a “resignation for good reason,” or for a “constructive termination” or any similar term under any plan or agreement with the Company.

(m) Transfers of Personal Information Data. Information related to incentive compensation is required for the management and administration of this Plan and it may be necessary that the Company share a Participant's personal information with third parties, including but not limited to, payroll processors, compensation management service providers, Company affiliates, regulators and authorities (such as HM Revenue & Customs for employees of Coursera UK Limited), or insurers, based in the Participant's jurisdiction of employment or elsewhere. It may also be necessary to share this information with potential or future employers, potential bidders, and purchasers of the Company or business in which the Participant works, or in order to comply with any legal or regulatory obligations. This may involve a transfer of data, including sensitive personal data to a country, which may not have the same data protection laws as the jurisdiction of employment. By participating in this Plan, the Participant consents to the Company holding, processing, transferring, and disclosing such personal data.

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gregory M. Hart, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Coursera, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2025

By: /s/ Gregory M. Hart

Gregory M. Hart
President, Chief Executive Officer, and Director
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kenneth R. Hahn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Coursera, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2025 By: /s/ Kenneth R. Hahn

Kenneth R. Hahn
Senior Vice President, Chief Financial Officer, and Treasurer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Coursera, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: May 1, 2025	By:	/s/ Gregory M. Hart
		Gregory M. Hart
		President, Chief Executive Officer, and Director
		(Principal Executive Officer)

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Coursera, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: May 1, 2025

By: /s/ Kenneth R. Hahn

Kenneth R. Hahn
Senior Vice President, Chief Financial Officer, and Treasurer
(Principal Financial Officer)