

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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, 2023

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 001-40956

Udemy, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

27-1779864

(I.R.S. Employer Identification No.)

**600 Harrison Street, 3rd Floor
San Francisco, California**

(Address of Principal Executive Offices)

94107

(Zip Code)

(415) 813-1710

(Registrant's Telephone Number, Including Area Code)

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	UDMY	The Nasdaq Stock Market

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 Act). Yes No

As of April 26, 2023, 146,774,569 shares of the registrant's common stock were outstanding.

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Summary of risk factors

Our business is subject to numerous risks and uncertainties, including those highlighted in the section of this report titled “Risk Factors.” The following is a summary of the principal risks we face, any of which could adversely affect our business, operating results, financial condition, or prospects:

- We have a history of losses, and we may not be able to generate sufficient revenue to achieve or maintain profitability in the future.
- We operate in an emerging and dynamic market, which makes it difficult to evaluate our future results of operations.
- Our results of operations may fluctuate significantly from period to period due to a wide range of factors, which makes our future results difficult to predict.
- Our rapid growth may not be sustainable and depends on our ability to attract new learners, instructors, and organizations and retain existing ones.
- Our platform relies on a limited number of instructors who create a significant portion of the most popular content on our platform, and the loss of these instructor relationships could adversely affect our business, financial condition, and results of operations.
- If we fail to maintain and expand our relationships with Udemy Business (“UB” or “Enterprise”) customers, our ability to grow our business and revenue will suffer.
- We operate in a highly competitive market, and we may not be able to compete successfully against current and future competitors.
- The market for online learning solutions is relatively new and may not grow as we expect, which may harm our business, financial condition, and results of operations.
- Adherence to our values and our focus on long-term sustainability may negatively impact our short- or medium-term financial performance.
- Acquisitions and other strategic investments may expose us to significant risks, any of which could materially adversely affect our business, financial condition, and results of operations.
- Changes in laws or regulations relating to privacy, data protection, or cybersecurity, including those relating to the protection or transfer of data relating to individuals, or any actual or perceived failure by us to comply with such laws and regulations or any other obligations could adversely affect our business.
- We may be unable to adequately obtain, maintain, protect, and enforce our intellectual property and proprietary information, which could adversely affect our business, financial condition, and results of operations.
- We could face liability, or our reputation might be harmed, as a result of courses posted to our platform.
- Intellectual property litigation, including litigation related to content available on our platform, could result in significant costs and adversely affect our business, financial condition, results of operations, and reputation.
- The trading price of our common stock may be volatile, and you could lose all or part of your investment.

Special note regarding forward-looking statements

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 other than statements of historical facts contained in this Form 10-Q, including statements regarding our future results of operations or financial condition, business strategy and plans, and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “would,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential,” or “continue,” or the negative of these terms or other similar expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this Form 10-Q include, but are not limited to, statements about:

- our expectations regarding our financial and operating performance, including our expectations regarding our revenue, costs, monthly average buyers, number of UB customers, UB Annual Recurring Revenue, UB Net Dollar Retention Rate, UB Large Customer Net Dollar Retention Rate, segment revenue, segment gross profit, adjusted EBITDA, and adjusted EBITDA margin;
- our ability to successfully execute our business and growth strategy;
- our ability to attract and retain learners, instructors, and enterprise customers;
- the timing and success of new features, integrations, capabilities, and other platform enhancements by us, or by our competitors to their offerings, or any other changes in the competitive landscape of our markets and industry;
- anticipated trends, developments, and challenges in our industry, business, and the markets in which we operate;
- the size of our addressable markets, market share, and market trends, including our ability to grow our business internationally;
- the effects of the COVID-19 pandemic on our business, the market for online learning solutions, and the global economy generally;
- the sufficiency of our cash, cash equivalents, and investments to meet our liquidity needs;
- our ability to develop and protect our brand and reputation;
- our expectations and management of future growth;
- our expectations concerning relationships with third parties;
- our ability to attract, retain, and motivate our skilled personnel, including members of our senior management team;
- our expectations regarding the effects of existing and developing laws and regulations, including with respect to taxation and privacy, data protection, and cybersecurity;
- our ability to maintain the security and availability of our platform;
- our ability to successfully defend litigation brought against us;
- our ability to successfully identify, execute, and integrate any potential acquisitions or strategic investments;
- our expectations regarding our income and other tax liabilities;
- our ability to effectively manage our exposure to fluctuations in foreign currency exchange rates;
- our ability to obtain, maintain, protect, and enforce our intellectual property and proprietary information; and
- the increased expenses associated with being a public company.

Actual events or results may differ from those expressed in forward-looking statements. As such, you should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Form 10-Q primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, operating results, prospects, strategy, and financial needs. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, assumptions, and other factors described in the section titled “Risk Factors” and elsewhere in this Form 10-Q. Moreover, we operate in a highly competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Form 10-Q. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Form 10-Q. While we believe that such information provides a reasonable basis for these statements, such information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements made in this Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Form 10-Q to reflect events or circumstances after the date of this Form 10-Q or to reflect new information, actual results, revised expectations, or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements.

Investors and others should note that we may announce material information to the public through filings with the Securities and Exchange Commission, our website (udemy.com), press releases, public conference calls, and public webcasts. We encourage our investors and others to review the information disclosed through such channels as such information could be deemed to be material information. Please note that this list may be updated from time to time.

Market and industry data

Certain market and industry data included in this Form 10-Q has been obtained from third party sources that we believe to be reliable. Market estimates are calculated by using independent industry publications, government publications, and third-party forecasts in conjunction with our assumptions about our markets. We have not independently verified such third-party information. While we are not aware of any misstatements regarding any market, industry or similar data presented herein, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed in this Form 10-Q in the section titled “Special Note Regarding Forward-Looking Statements” and in Part II, Item 1A, “Risk Factors.”

PART I.**Item 1. Condensed Consolidated Financial Statements (Unaudited)**

Udemy, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except share and per share amounts)
(unaudited)

	March 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 275,633	\$ 313,685
Marketable securities	169,613	151,687
Accounts receivable, net	96,423	104,530
Prepaid expenses and other current assets	17,418	14,878
Deferred contract costs, current	35,929	30,234
Total current assets	595,016	615,014
Property and equipment, net	6,206	7,012
Capitalized software, net	29,045	27,412
Operating lease right-of-use assets	9,849	11,377
Restricted cash, non-current	3,629	3,629
Deferred contract costs, non-current	36,510	35,411
Strategic investments	12,104	12,104
Intangible assets, net	8,264	9,331
Goodwill	12,646	12,646
Other assets	3,631	3,632
Total assets	\$ 716,900	\$ 737,568
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 10,792	\$ 14,529
Accrued expenses and other current liabilities	26,420	31,247
Content costs payable	35,019	37,310
Accrued compensation and benefits	27,335	22,882
Operating lease liabilities, current	6,910	7,002
Deferred revenue, current	276,050	273,937
Total current liabilities	382,526	386,907
Operating lease liabilities, non-current	4,920	6,545
Deferred revenue, non-current	4,348	4,342
Other liabilities, non-current	21	464
Total liabilities	391,815	398,258
Note 8 – Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.00001 par value - 50,000,000 shares authorized; zero shares issued and outstanding as of March 31, 2023, and December 31, 2022.	—	—
Common stock, \$0.00001 par value - 950,000,000 shares authorized; 146,627,024 and 145,013,786 shares issued and outstanding as of March 31, 2023, and December 31, 2022, respectively.	1	1
Additional paid-in capital	982,128	951,946
Accumulated other comprehensive loss	(96)	(233)
Accumulated deficit	(656,948)	(612,404)
Total stockholders' equity	325,085	339,310
Total liabilities and stockholders' equity	\$ 716,900	\$ 737,568

See accompanying notes to condensed consolidated financial statements.

Udemy, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2023	2022
Revenue	\$ 176,430	\$ 152,223
Cost of revenue	76,701	66,438
Gross profit	99,729	85,785
Operating expenses		
Sales and marketing	79,657	66,878
Research and development	30,887	22,570
General and administrative	26,334	21,653
Restructuring charges	10,128	—
Total operating expenses	147,006	111,101
Loss from operations	(47,277)	(25,316)
Other income (expense)		
Interest income, net	3,932	243
Other expense, net	(142)	(244)
Total other income (expense), net	3,790	(1)
Net loss before taxes	(43,487)	(25,317)
Income tax provision	(1,057)	(332)
Net loss	\$ (44,544)	\$ (25,649)
Net loss per share		
Basic and diluted	\$ (0.31)	\$ (0.18)
Weighted-average shares used in computing net loss per share		
Basic and diluted	145,737,709	139,405,294

See accompanying notes to condensed consolidated financial statements.

Udemy, Inc.
Condensed Consolidated Statements of Comprehensive Loss
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2023	2022
Net loss	\$ (44,544)	\$ (25,649)
Foreign currency translation gain (loss), net of tax	(11)	10
Change in unrealized loss on marketable securities, net of tax	148	—
Comprehensive loss	<u>\$ (44,407)</u>	<u>\$ (25,639)</u>

See accompanying notes to condensed consolidated financial statements.

Udemy, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(in thousands, except share amounts)
(unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance—December 31, 2022	145,013,786	\$ 1	\$ 951,946	\$ (233)	\$ (612,404)	\$ 339,310
Stock-based compensation	—	—	28,733	—	—	28,733
Exercise of stock options	355,516	—	1,449	—	—	1,449
Vesting of restricted stock units	1,257,722	—	—	—	—	—
Other comprehensive loss	—	—	—	137	—	137
Net loss	—	—	—	—	(44,544)	(44,544)
Balance—March 31, 2023	146,627,024	\$ 1	\$ 982,128	\$ (96)	\$ (656,948)	\$ 325,085
Balance—December 31, 2021	139,164,693	\$ 1	\$ 848,229	\$ (1)	\$ (458,529)	\$ 389,700
Stock-based compensation	—	—	14,930	—	—	14,930
Exercise of stock options	376,578	—	1,517	—	—	1,517
Vesting of restricted stock units	32,145	—	—	—	—	—
Cumulative translation adjustment	—	—	—	10	—	10
Net loss	—	—	—	—	(25,649)	(25,649)
Balance—March 31, 2022	139,573,416	\$ 1	\$ 864,676	\$ 9	\$ (484,178)	\$ 380,508

See accompanying notes to condensed consolidated financial statements.

Udemy, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2023	2022
Cash flows from operating activities:		
Net loss	\$ (44,544)	\$ (25,649)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	5,786	4,967
Amortization of deferred sales commissions	10,508	6,582
Stock-based compensation	26,283	13,342
Allowance for credit losses	301	110
Accretion of marketable securities	(1,815)	—
Non-cash operating lease expense	1,572	1,573
Other	375	75
Changes in operating assets and liabilities:		
Accounts receivable	7,805	5,371
Prepaid expenses and other assets	(2,434)	198
Deferred contract costs	(17,302)	(13,038)
Accounts payable, accrued expenses and other liabilities	(4,499)	(21,964)
Content costs payable	(2,292)	(4,355)
Operating lease liabilities	(1,759)	(1,151)
Deferred revenue	2,120	19,964
Net cash used in operating activities	<u>(19,895)</u>	<u>(13,975)</u>
Cash flows from investing activities:		
Purchases of marketable securities	(58,463)	—
Proceeds from maturities of marketable securities	42,500	—
Purchases of property and equipment	(100)	(156)
Capitalized software costs	(3,256)	(3,121)
Purchases of strategic investments	—	(5,000)
Net cash used in investing activities	<u>(19,319)</u>	<u>(8,277)</u>
Cash flows from financing activities:		
Net proceeds from exercise of stock options	1,180	1,658
Payment of deferred offering costs	—	(1,586)
Net cash provided by financing activities	<u>1,180</u>	<u>72</u>
Effect of foreign exchange rates on cash flows	(18)	6
Net decrease in cash, cash equivalents and restricted cash	(38,052)	(22,174)
Cash, cash equivalents and restricted cash—Beginning of period	317,314	536,768
Cash, cash equivalents and restricted cash—End of period	\$ 279,262	\$ 514,594

	Three Months Ended March 31,	
	2023	2022
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	\$ 275,633	\$ 510,965
Restricted cash	3,629	3,629
Total cash, cash equivalents and restricted cash	\$ 279,262	\$ 514,594
Supplemental disclosures of cash flow information:		
Interest paid	\$ 488	\$ 2
Income taxes paid	\$ 44	\$ 64
Supplemental disclosure of non-cash investing and financing activities:		
Stock-based compensation in capitalized costs	\$ 2,305	\$ 1,311
Change in unrealized loss on marketable securities	\$ 149	\$ —

See accompanying notes to condensed consolidated financial statements.

Udemy, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

1. Organization and description of business

Description of business

Udemy, Inc. (“Udemy” or the “Company”) was incorporated in January 2010 under the laws of the state of Delaware. The Company is headquartered in San Francisco, California.

Udemy is a global learning company whose online platform empowers organizations and individuals with flexible and effective skill acquisition and development. The Company’s learning marketplace platform enables tens of thousands of subject matter experts to develop, distribute and enhance content that reaches Udemy’s broad global audience of learners. Udemy leverages technology, data and insights to deliver personalized and effective learning experiences. The Company further curates its highest-quality content from the marketplace for Udemy Business, which enables companies around the world to offer engaging, effective, on-demand learning for all employees, immersive laboratory-style learning for tech teams, and cohort-based learning focused on leadership development.

2. Summary of significant accounting policies

Basis of consolidation and presentation— The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation, and all other normal and recurring adjustments that are, in the opinion of management, necessary for a fair presentation of the results of the periods presented have been made.

Segment information— On March 1, 2023, Greg Brown became the Company’s new Chief Executive Officer and chief operating decision maker (“CODM”). The Company defines its segments as those operations the CODM regularly reviews to allocate resources and assess performance. For the three months ended March 31, 2023 and 2022, the Company operated under two operating and reportable segments: Enterprise and Consumer. The Company continually monitors and reviews its segment reporting structure in accordance with Accounting Standards Codification (“ASC”) Topic 280, Segment Reporting, to determine whether any changes have occurred that would impact its reportable segments. For further information on the Company’s segment reporting, see Note 13 – Segment and geographic information.

Use of estimates— The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the condensed consolidated financial statements and the results of operations during the reporting periods.

Significant estimates and assumptions reflected in the condensed consolidated financial statements include, but are not limited to, allowance for credit losses, capitalization of internally developed software and associated useful lives, stock-based compensation, determination of the income tax valuation allowance and the potential outcome of uncertain tax positions, estimated instructor withholding tax obligations, estimated service period for consumer single course purchases, the period of benefit for deferred commissions, the fair value and associated useful lives of intangible assets and goodwill acquired via business combinations, and the valuation of privately-held strategic investments, including impairments. Management periodically evaluates such estimates and assumptions for continued reasonableness.

Actual results may ultimately differ from management’s estimates and such differences could be material to the Company’s financial position and results of operations.

Concentration of credit risk— Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, marketable securities, restricted cash, and accounts receivable. For cash and restricted cash, the Company is exposed to credit risk in the event of default by the financial institutions to the extent the amounts recorded on the accompanying condensed consolidated balance sheets are in excess of federal insurance limits. The Company's investments, classified as cash equivalents and marketable securities, consist of high-credit-quality instruments and fixed-income securities.

The Company generally does not require collateral or other security in support of accounts receivable. To reduce credit risk, management performs ongoing evaluations of its customers' financial condition and maintains an allowance based upon expected credit losses of outstanding receivables. The Company had one customer, a reseller partner for the Enterprise segment, who accounted for more than 10% of total accounts receivable as of March 31, 2023. The Company had no customers which accounted for more than 10% of total accounts receivable as of December 31, 2022. No customer accounted for more than 10% of total revenue during the three months ended March 31, 2023 or 2022.

Summary of significant accounting policies— Except as described below, there were no significant changes to the Company's significant accounting policies disclosed in Note 2 – Summary of significant accounting policies of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022, which was filed with the SEC on February 27, 2023 (the "Annual Report").

Stock-based compensation— The Company accounts for its stock-based compensation pursuant to ASC Topic 718, Compensation-Stock Compensation.

The Company granted performance-based restricted stock units ("PSUs") in the first quarter of 2023, which vest based on the achievement of predefined corporate performance metrics and are subject to ongoing service conditions. The Company determines the fair value of PSUs based on the fair value of the Company's common stock on the date of grant. Because PSUs have both performance and service-based vesting conditions, the Company separately attributes stock-based compensation expense for each vesting tranche of the award over their requisite service periods.

Management estimates the number of PSUs that are expected to vest based on the anticipated achievement of the specified performance metrics. If the performance-based vesting condition is considered probable of being achieved, the Company recognizes expense over the requisite service period based on the probable outcome of achievement. If the performance goals are not met, or are considered improbable, no compensation cost is recognized, and any previously recognized compensation cost is reversed.

Accounts receivable, net— Accounts receivable primarily represent amounts owed to the Company for Enterprise subscriptions. Also included in accounts receivable are amounts due from payment processors or mobile application store partners that settle over a period longer than five business days. Accounts receivable balances are recorded at the invoiced amount and are non-interest-bearing. Accounts receivable is presented net of allowance for credit losses in the accompanying condensed consolidated balance sheets.

The Company maintains an allowance based upon expected credit losses of outstanding receivables. Management derives its estimate using a variety of factors, including historical collection and loss patterns; the current aging of receivables; geographic and other customer-specific credit risk factors; and reasonable and supportable forecasts of future economic conditions which inform adjustments to historical loss patterns. The provision for expected credit losses is recorded in general and administrative expenses in the accompanying condensed consolidated statements of operations. Accounts receivable deemed to be uncollectible are written off, net of expected or actual recoveries.

	Balance at Beginning of Period		Charged to Expenses		Charges Utilized/Written-off, Net of Recoveries		Balance at End of Period
Allowance for credit losses (in thousands)							
Three Months Ended March 31, 2023	\$ 1,528	\$	301	\$	(213)	\$	1,616
Three Months Ended March 31, 2022	\$ 678	\$	110	\$	(110)	\$	678

Self-insurance— Beginning in 2023, the Company became self-insured for medical benefits offered to certain employees, up to certain stop-loss limits. Such costs are accrued based on known claims and estimates of incurred but not reported (“IBNR”) claims. IBNR claims are estimated using historical claim information and actuarial estimates. As of March 31, 2023, the accrued liability for self-insurance totaled \$1.0 million and is included in accrued compensation and benefits on the condensed consolidated balance sheets.

Recently Adopted Accounting Pronouncements

Recently Issued Accounting Pronouncements Not Yet Adopted

There are no recently issued accounting pronouncements that are expected to have a material impact on the Company’s condensed consolidated financial statements.

3. Revenue recognition

Deferred revenue— Revenue recognized for the three months ended March 31, 2023, from amounts included in deferred revenue as of December 31, 2022 was \$134.6 million. Revenue recognized for the three months ended March 31, 2022, from amounts included in deferred revenue as of December 31, 2021 was \$111.4 million.

The below table presents a summary of deferred revenue balances by reportable segment (in thousands):

	March 31, 2023	December 31, 2022	December 31, 2021
Deferred revenue:			
Enterprise	\$ 221,157	\$ 219,030	\$ 148,966
Consumer	59,241	59,249	61,588
Total deferred revenue	<u>\$ 280,398</u>	<u>\$ 278,279</u>	<u>\$ 210,554</u>

Remaining performance obligations— Remaining performance obligations represent the aggregate amount of the transaction price in contracts for performance obligations not delivered, or partially undelivered, as of the end of the reporting period. Remaining performance obligations primarily relate to unearned and unbilled revenue from multi-year Enterprise subscription contracts with future installment payments, as well as unearned revenue from Consumer single course purchases and subscriptions at the end of any given period. As of March 31, 2023, the aggregate transaction price for remaining performance obligations was \$502.3 million, of which 70% is expected to be recognized over the next twelve months and the remainder thereafter.

Deferred contract costs— The following table represents a rollforward of the Company’s deferred contract costs (in thousands):

	Balance at Beginning of Period	Additions	Amortization Expense	Balance at End of Period
Three Months Ended March 31, 2023	\$ 65,645	\$ 17,302	\$ (10,508)	\$ 72,439
Three Months Ended March 31, 2022	\$ 44,545	\$ 13,038	\$ (6,582)	\$ 51,001

4. Investments and fair value measurements

The Company's assets and liabilities that are measured at fair value on a recurring or nonrecurring basis within the fair value hierarchy are as follows (in thousands):

As of March 31, 2023	Level 1	Level 2	Level 3
Cash equivalents:			
Money market funds	\$ 237,819	\$ —	\$ —
Marketable securities:			
U.S. government securities	\$ —	\$ 169,613	\$ —
Non-current assets:			
Strategic investments	\$ —	\$ —	\$ 12,104
Current liabilities— accrued compensation and benefits:			
Cash settled stock appreciation rights	\$ —	\$ —	\$ 243
Non-current liabilities:			
Cash settled stock appreciation rights	\$ —	\$ —	\$ 21
As of December 31, 2022			
Cash equivalents:			
Money market funds	\$ 130,377	\$ —	\$ —
U.S. government securities	—	48,900	—
Total cash equivalents	\$ 130,377	\$ 48,900	\$ —
Marketable securities:			
U.S. government securities	\$ —	\$ 151,687	\$ —
Non-current assets:			
Strategic investments	\$ —	\$ —	\$ 12,104
Non-current liabilities:			
Cash settled stock appreciation rights	\$ —	\$ —	\$ 462

The Company's money market funds are classified within Level 1 of the fair value hierarchy because they are valued using quoted prices in active markets. The Company's investments in U.S. government securities are classified within Level 2 of the fair value hierarchy because they have been valued using inputs other than quoted prices in active markets that are directly or indirectly observable. The Company's strategic investment and stock appreciation rights ("SARs") are classified within Level 3 of the fair value hierarchy because they have been valued using significant unobservable inputs for which the Company has been required to develop its own assumptions.

A summary of the changes in the fair value of Level 3 financial instruments, of which remeasurement of SARs are recognized in the condensed consolidated statements of operations, is as follows (in thousands):

	Stock Appreciation Rights	Strategic Investments
Balance— December 31, 2022	\$ 462	\$ 12,104
Vesting and remeasurement of SARs	(198)	—
Balance— March 31, 2023	<u>\$ 264</u>	<u>\$ 12,104</u>
Balance— December 31, 2021	\$ 818	\$ 10,000
Vesting and remeasurement of SARs, net	(310)	—
Purchases of strategic investments	—	5,000
Balance— March 31, 2022	<u>\$ 508</u>	<u>\$ 15,000</u>

The Company evaluates its strategic investment for impairment at each reporting period. This evaluation consists of several potential qualitative and quantitative impairment indicators including, but not limited to, the investee's financial metrics, whether there were any significant adverse changes in the economic environment or general market conditions of the geographies and industries in which the investee operates, and any other publicly available information that may affect the value of the investment. No impairment losses were recorded in the three months ended March 31, 2023. The difference between the strategic investment's cost basis of \$15.0 million and the carrying value of \$12.1 million is due to an impairment charge of \$2.9 million, which was recorded in the third quarter of 2022.

5. Consolidated balance sheet components

Cash, cash equivalents, and marketable securities— The amortized cost, unrealized gains and losses, and estimated fair value of cash, cash equivalents, and marketable securities consisted of the following (in thousands):

As of March 31, 2023	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Cash and cash equivalents:				
Cash	\$ 37,814	\$ —	\$ —	\$ 37,814
Money market funds	237,819	—	—	237,819
Total cash and cash equivalents	275,633	—	—	275,633
Marketable securities:				
U.S. government securities	169,677	40	(104)	169,613
Total cash, cash equivalents, and marketable securities	\$ 445,310	\$ 40	\$ (104)	\$ 445,246

As of December 31, 2022	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Cash and cash equivalents:				
Cash	\$ 134,408	\$ —	\$ —	\$ 134,408
Money market funds	130,377	—	—	130,377
U.S. government securities	48,899	4	(3)	48,900
Total cash and cash equivalents	313,684	4	(3)	313,685
Marketable securities:				
U.S. government securities	151,900	30	(243)	151,687
Total cash, cash equivalents, and marketable securities	\$ 465,584	\$ 34	\$ (246)	\$ 465,372

Cash equivalents and marketable securities in an unrealized loss position consisted of the following (in thousands):

	March 31, 2023		December 31, 2022	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Cash equivalents:				
U.S. government securities	\$ —	\$ —	\$ 24,960	\$ (3)
Marketable securities:				
U.S. government securities	37,102	(104)	59,057	(243)
Total securities in an unrealized loss position	\$ 37,102	\$ (104)	\$ 84,017	\$ (246)

Realized gains and losses reclassified from accumulated other comprehensive loss to other income (expense), net were zero for the three months ended March 31, 2023.

No securities had been in a continuous unrealized loss position for twelve months or longer as of March 31, 2023 or December 31, 2022. The Company does not intend to sell available-for-sale marketable debt securities in unrealized loss positions, and it is more likely than not that the Company will hold these securities until maturity or recovery of the cost basis. As of March 31, 2023 and December 31, 2022, the Company did not have an allowance for credit losses related to its available-for-sale debt securities due to a zero loss expectation for the portfolio which consists solely of U.S. government securities.

As of March 31, 2023, the entirety of the Company's marketable securities portfolio had remaining contractual maturities of one year or less.

Property and equipment, net— Property and equipment, net consisted of the following (in thousands):

	March 31, 2023	December 31, 2022
Computers and equipment	\$ 7,756	\$ 7,820
Furniture and fixtures	4,678	4,870
Purchased software	383	383
Leasehold improvements	19,017	19,109
Construction in progress	8	—
Total property and equipment	31,842	32,182
Less accumulated depreciation and amortization	(25,636)	(25,170)
Property and equipment, net	\$ 6,206	\$ 7,012

Depreciation expense was \$0.8 million and \$1.2 million for the three months ended March 31, 2023 and 2022, respectively.

Capitalized software, net— Capitalized software, net consisted of the following (in thousands):

	March 31, 2023	December 31, 2022
Capitalized software	\$ 69,284	\$ 63,748
Less accumulated amortization	(40,239)	(36,336)
Capitalized software, net	\$ 29,045	\$ 27,412

Amortization expense of capitalized software was \$3.9 million and \$2.7 million for the three months ended March 31, 2023 and 2022, respectively.

As of March 31, 2023, expected amortization expense for capitalized software over the remaining asset lives was as follows (in thousands):

Remainder of 2023	\$ 11,583
2024	11,496
2025	5,630
2026	336
Total expected amortization	\$ 29,045

Intangible assets, net and goodwill— As of March 31, 2023, intangible assets, net acquired as part of the CorpU business combination were as follows (in thousands):

	Estimated Useful Lives	Intangible Assets, Gross	Accumulated Amortization	Intangible Assets, Net
Customer relationships	6 years	\$ 5,500	\$ (1,469)	\$ 4,031
Vendor relationships	3 years	4,500	(2,403)	2,097
Developed technology	3 years	4,200	(2,243)	1,957
Tradename	2 years	900	(721)	179
Total		\$ 15,100	\$ (6,836)	\$ 8,264

As of December 31, 2022, intangible assets, net acquired as part of the CorpU business combination were as follows (in thousands):

	Estimated Useful Lives	Intangible Assets, Gross	Accumulated Amortization	Intangible Assets, Net
Customer relationships	6 years	\$ 5,500	\$ (1,239)	\$ 4,261
Vendor relationships	3 years	4,500	(2,028)	2,472
Developed technology	3 years	4,200	(1,893)	2,307
Tradename	2 years	900	(609)	291
Total		\$ 15,100	\$ (5,769)	\$ 9,331

Amortization expense of intangible assets for the three months ended March 31, 2023 and 2022 was \$1.1 million and \$1.1 million, respectively.

The expected future amortization expense for intangible assets as of March 31, 2023 was as follows (in thousands):

Remainder of 2023	\$ 3,041
2024	2,795
2025	917
2026	917
2027	594
Total expected amortization	\$ 8,264

Goodwill in the amount of \$12.6 million was established as part of the CorpU acquisition on August 24, 2021, and allocated to the Enterprise segment. This amount represents the excess of the purchase price over the fair value of net assets acquired. There have been no adjustments to the carrying amount of goodwill as of March 31, 2023.

The Company tests for impairment at least annually, or whenever events or changes in circumstances occur that could impact the recoverability of these assets. No such triggering events were noted for the three months ended March 31, 2023 and 2022.

6. Leases

The Company applies the guidance under Topic 842 for leases of real estate facilities under non-cancelable operating leases with various expiration dates through fiscal year 2026. The Company recognized the following amounts related to its operating leases in its condensed consolidated statements of operations and cash flows (in thousands):

	Three Months Ended March 31,	
	2023	2022
Operating lease costs	\$ 1,670	\$ 1,701
Variable lease costs	\$ 314	\$ 204
Cash paid for operating leases	\$ 1,923	\$ 1,151

Future minimum lease payments under noncancellable operating leases with initial lease terms in excess of one year as of March 31, 2023, were as follows (in thousands):

2023	\$	5,279
2024		5,790
2025		809
2026		410
Gross lease payments		12,288
Less imputed interest		(458)
Present value of operating lease liabilities	\$	11,830

7. Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consist of the following (in thousands):

	March 31, 2023	December 31, 2022
Accrued expenses	\$ 7,262	\$ 8,494
Indirect tax reserves	4,158	6,627
Indirect tax payables	7,968	9,137
Other current liabilities	7,032	6,989
Accrued expenses and other current liabilities	\$ 26,420	\$ 31,247

Indirect tax payables relate to amounts collected from customers on behalf of third-party taxing authorities, primarily on sales in the U.S. and in international jurisdictions. Indirect tax payables also include withholding taxes on payments made to the Company's instructors before remitting these amounts to the taxing authorities.

As of March 31, 2023, indirect tax reserves consist of the residual interest payable on the Company's instructor withholding tax reserves and other indirect tax reserves.

Instructor withholding tax reserves—

Prior to March 2020, the Company had not obtained appropriate taxpayer identification forms from instructors, nor remitted applicable tax withholding amounts to the U.S. Internal Revenue Service ("IRS") where required. In accordance with GAAP, the Company recorded a provision for its tax exposure when it was both probable that a liability had been incurred and the amount of the exposure could be reasonably estimated.

Beginning in March 2020, the Company began collecting appropriate taxpayer identification forms from its instructors, assessing whether the forms justified a reduced rate of withholding or withholding exemption, and remitting withholding tax payments to the IRS where required. The Company also began reporting payments to its non-U.S. instructors and the IRS annually where required to do so.

In 2020, the Company approached the IRS to address the historical tax withholding amounts for instructors and engaged in a voluntary disclosure program. As of March 31, 2023, the Company has filed all outstanding withholding tax returns and has paid the associated tax obligation to the IRS. The estimated interest associated with the reserve is still outstanding.

Changes in the estimated amount the Company has determined it will owe are recorded in general and administrative expenses in the accompanying condensed consolidated statements of operations. Estimated interest is recorded in interest income (expense), net in the accompanying condensed consolidated statement of operations.

Changes to the instructor withholding tax reserve are as follows (in thousands):

	Three Months Ended March 31,	
	2023	2022
Balance, beginning of period	\$ 2,528	\$ 17,036
Amounts charged to (released from) expense	44	(1,343)
Net payments and settlements	—	—
Balance, end of period	<u>\$ 2,572</u>	<u>\$ 15,693</u>

8. Commitments and contingencies

Noncancellable purchase commitments— The Company has contractual commitments with its cloud infrastructure provider, network service providers and paid advertising vendors that are noncancellable. As of March 31, 2023, the Company had \$55.4 million worth of future minimum payments under the Company's noncancellable purchase commitments which are expected to be paid through 2026.

Indemnification— The Company enters into indemnification provisions under agreements with other parties in the ordinary course of business, including certain business partners, investors, contractors, and the Company's officers, directors, and certain employees. The Company has agreed to indemnify and defend the indemnified party's claims and related losses suffered or incurred by the indemnified party resulting from actual or threatened third-party claims because of the Company's activities or, in some cases, non-compliance with certain representations and warranties made by the Company. In general, the Company does not record any liability for these indemnities in the accompanying condensed consolidated balance sheets as the amounts cannot be reasonably estimated and are not considered probable. The Company does, however, accrue for losses for any known contingent liability, including those that may arise from indemnification provisions, when future payment is probable. To date, losses recorded in the Company's condensed consolidated statements of operations in connection with the indemnification provisions have not been material.

Litigation— From time to time, in the ordinary course of business, the Company is subject to legal proceedings, claims, investigations, and other proceedings, including claims of alleged infringement of third-party patents and other intellectual property rights, and commercial, employment, and other matters. In accordance with generally accepted accounting principles, the Company makes a provision for a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These provisions are reviewed at least annually and adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular case. The outcome of such litigation is not expected to have a material effect on the financial position, results of operation and cash flows of the Company. The Company has recorded an immaterial amount related to all outstanding litigation matters in the accompanying condensed consolidated balance sheets, within accrued expenses and other current liabilities as of March 31, 2023, and December 31, 2022.

9. Income taxes

The provision for income taxes for interim periods is determined using an estimate of the Company's annual effective tax rate, adjusted for discrete items, if any, that are taken into consideration in the relevant period. Each quarter, the Company updates the estimate of the annual effective tax rate, and if the estimated tax rate changes, the Company records a cumulative adjustment to the provision.

The Company had an effective tax rate of (2.43)% and (1.30)% for the three months ended March 31, 2023 and 2022, respectively. The difference between the 21% statutory federal tax rate and the effective tax rate was primarily a result of income earned in jurisdictions with higher statutory tax rates, foreign withholding taxes, and tax credits offset by change in valuation allowance.

As of March 31, 2023 and December 31, 2022, the Company has provided a valuation allowance against U.S. federal and state deferred tax assets. Management continues to evaluate the realizability of deferred tax assets and the related valuation allowance. If management's assessment of the deferred tax assets or the corresponding valuation allowance were to change, the Company would record the related adjustment to income during the period in which management makes the determination.

The Company recognizes interest and penalties associated with uncertain tax positions as part of the income tax provision. To date, the Company has not recognized any interest and penalties in its condensed consolidated statements of operations, nor has it accrued for or made payments for interest and penalties.

The Company is subject to taxation in the U.S. and various foreign jurisdictions. Due to NOL carryforwards and tax credit carryforwards, the statutes of limitations remain open for tax years from inception of the Company through 2022. There are currently no income tax audits underway by U.S. federal or state tax authorities. There are income audits in Turkey and India that began in the year ended December 31, 2022, but no notices or assessments have been issued at this time.

10. Related party transactions

Naspers Ltd. ("Naspers"), through an investment entity controlled by Prosus N.V. ("Prosus"), beneficially owns more than 5% of the Company's outstanding capital stock. A current member of the Company's Board of Directors is an executive officer of a Prosus operating subsidiary, OLX Global B.V. A former member of the Company's Board of Directors, who resigned in September 2022, was an executive officer of Prosus. Naspers and certain entities directly and indirectly controlled by Naspers are customers of the Company's Enterprise subscription offering. The Company recorded \$0.3 million and \$0.4 million of revenue from services provided to these customers during the three months ended March 31, 2023 and 2022, respectively. As of March 31, 2023 and December 31, 2022, the Company had an accounts receivable balance of \$0.1 million with these customers.

Insight Partners, where a member of the Company's Board of Directors is a Managing Director, is affiliated with certain vendors that the Company has contracted to provide technology and software solutions. For each of the three months ended March 31, 2023 and 2022, the Company recorded \$0.2 million of operating expenses with these vendors. The Company did not have an accounts payable balance with these vendors as of March 31, 2023 or December 31, 2022.

Certain members of the Company's Board of Directors also serve as executive officers for customers of the Company's Enterprise subscription offering. During the three months ended March 31, 2023 and 2022, the Company recorded \$0.1 million and an immaterial amount, respectively, of revenue from services provided to these customers. As of March 31, 2023 and December 31, 2022, the Company had an accounts receivable balance with these customers of zero and \$0.4 million, respectively.

11. Stockholders' equity

Preferred stock— In connection with the IPO, the Company's amended and restated certificate of incorporation became effective, which authorized the issuance of 50,000,000 shares of undesignated preferred stock with a par value of \$0.00001 per share with rights and preferences, including voting rights, designated from time to time by the board of directors.

Common stock— Common stockholders are entitled to one vote per share. As of March 31, 2023 and December 31, 2022, the following shares of common stock were available for future issuance:

	March 31, 2023	December 31, 2022
2010 Equity Incentive Plan:		
Stock options outstanding	9,925,732	10,333,771
2021 Equity Incentive Plan:		
RSUs outstanding and PSUs ⁽¹⁾	17,713,184	16,178,101
Shares available for future issuance under:		
2021 Equity Incentive Plan	7,324,533	2,814,126
2021 Employee Stock Purchase Plan	3,379,715	1,929,578
Total shares of common stock reserved	38,343,164	31,255,576
(1) The number of PSUs reserved for issuance is based on the maximum achievement of the corporate performance metric.		

Equity incentive plans— In 2010, the Company adopted the 2010 Equity Incentive Plan (the “2010 Plan”). The 2010 Plan provided for incentive stock options (“ISOs”), non-statutory stock options (“NSOs”, collectively with ISOs, “stock options”), SARs, restricted stock, and restricted stock units (“RSUs”) to be granted to eligible employees, directors, and consultants. The 2010 Plan was terminated in October 2021 in connection with the IPO but continues to govern the terms and conditions of the outstanding awards granted pursuant to the 2010 Plan. No further equity awards will be granted under the 2010 Plan.

The Company adopted the 2021 Equity Incentive Plan (the “2021 Plan”) in September 2021, which became effective on October 28, 2021 (collectively with the 2010 Plan, the “Equity Incentive Plans”) and was approved by the Company’s stockholders. The 2021 Plan provides for the granting of ISOs, NSOs, SARs, restricted stock, RSUs, and performance awards to eligible employees, directors, and consultants.

The Company initially reserved 13,800,000 shares for issuance under the 2021 Plan. The amount available for issuance is subject to an annual increase on the first day of each calendar year, beginning on January 1, 2023, in an amount equal to 5% of the outstanding shares of the Company’s common stock on the last day of the immediately preceding calendar year or a lesser amount determined by the Company’s Board of Directors or compensation committee. The amount available for issuance shall also include Returning Shares, which are any shares subject to awards granted under the 2010 Plan that, on or after October 29, 2021, expire or otherwise terminate without having been exercised in full, are tendered to or withheld by the Company for payment of an exercise price or for tax withholding obligations, or are forfeited to or repurchased by the Company due to failure to vest. On January 1, 2023, the shares available for future grants under the 2021 Plan automatically increased by 7,250,689 pursuant to the above evergreen provision of the 2021 Plan.

Stock options— The Company may grant stock options at exercise prices not less than the fair market value at the date of grant. These options generally expire 10 years from the date of grant. The Company recognizes stock-based compensation expense on a straight-line basis over the requisite service period for each award, which is generally even over four years.

The following is a summary of activity for stock options having only service-based vesting conditions under the Equity Incentive Plans:

	Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (In Thousands)
Balance - December 31, 2022	10,283,771	\$ 4.18	6.38	\$ 66,234
Granted	—	—		
Exercised	(355,516)	4.10		
Canceled	(52,523)	11.28		
Balance - March 31, 2023	9,875,732	\$ 4.15	3.06	\$ 47,212
Vested & expected to vest as of March 31, 2023	9,875,732	\$ 4.15	3.06	\$ 47,212
Exercisable as of March 31, 2023	8,973,521	\$ 3.92	2.89	\$ 44,616

There were no stock options granted during the three months ended March 31, 2023 or 2022. The decrease in weighted average remaining contractual term during the period is due to stock options held by the Company's former CEO, Mr. Coccari, which will expire if not exercised by the end of the 90-day post-termination exercise window that begins upon completion of his transition agreement in February 2024. Refer to further discussion below under other equity transactions.

As of March 31, 2023, total unrecognized stock-based compensation expense related to unvested stock options was \$2.2 million, which will be recognized over a weighted average period of 0.8 years.

Stock appreciation rights— The Company may grant SARs at exercise prices not less than the fair market value at the date of grant. The SARs are liability-classified awards that generally expire 10 years from the date of grant. The Company recognizes stock-based compensation expense on a straight-line basis over the requisite service period for each award, which is generally even over four years.

The following is a summary of activity for SARs under the Equity Incentive Plans:

	SARs Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (In Thousands)
Balance - December 31, 2022	81,770	\$ 5.44	6.90	\$ 418
Granted	—	—		
Exercised	—	—		
Canceled	(9,289)	6.58		
Balance - March 31, 2023	72,481	\$ 5.29	0.57	\$ 257
Vested & expected to vest as of March 31, 2023	72,481	\$ 5.29	0.57	\$ 257
Exercisable as of March 31, 2023	71,706	\$ 5.28	0.50	\$ 254

There were no SARs granted during the three months ended March 31, 2023 or 2022. The decrease in weighted average remaining contractual term during the period is due to SARs held by employees impacted by the workforce reduction, as described in Note 14. Such SARs will expire if not exercised by the end of their respective 90-day post-termination exercise windows.

As of March 31, 2023, total unrecognized stock-based compensation expense related to unvested SARs was immaterial.

Restricted stock units and performance-based restricted stock units— The fair value of RSUs is determined using the fair value of the Company's common stock on the date of grant. The Company recognizes stock-based compensation expense for RSUs with service-based vesting conditions on a straight-line basis over the requisite service period for each award, which typically vest over a three or four-year period.

During the first quarter of 2023, the Company granted 645,833 PSUs to certain executives at target. Each PSU conveys a right to receive one share of the Company's common stock on the date it vests, provided that the number of PSUs that will ultimately vest may vary from 0% to 150% of target based upon the achievement of the corporate performance metric at the end of the performance period. One quarter of the eligible PSUs vest upon certification of the corporate performance metric in the first quarter of 2024, and the remaining 75% will vest equally over the following 12 quarters thereafter, subject to continual service by the grantee. Total stock-based compensation expense to be recognized may fluctuate during the performance period due to changes in forecasted achievement. The corporate performance metric associated with these awards has been considered probable of being achieved since the grant date, and the Company assumed 100% achievement as of March 31, 2023.

A summary of RSU and PSU activity under the 2021 Plan is as follows:

	RSUs Outstanding	Weighted Average Grant Date Fair Value	PSUs Outstanding	Weighted Average Grant Date Fair Value
Unvested - December 31, 2022	16,178,101	\$ 17.37	—	\$ —
Granted	2,290,999	\$ 9.84	645,833	\$ 8.89
Released	(1,257,722)	\$ 17.91	—	\$ —
Canceled	(466,926)	\$ 15.48	—	\$ —
Unvested - March 31, 2023	<u>16,744,452</u>	<u>\$ 16.35</u>	<u>645,833</u>	<u>\$ 8.89</u>

As of March 31, 2023, total unrecognized stock-based compensation expense related to unvested RSUs was \$221.0 million, which will be recognized over a weighted average period of 3.0 years.

As of March 31, 2023, total unrecognized stock-based compensation expense related to unvested PSUs was \$5.6 million, which will be recognized over a weighted average period of 2.2 years.

Performance-based stock options— There have been no other changes to the Company's performance-based stock options compared to those described in Note 14— Stockholders' equity, included in Part II, Item 8 of the Company's Annual Report.

As of March 31, 2023, there were 50,000 performance-based stock options outstanding, of which 16,666 were exercisable. As of March 31, 2023, total unrecognized stock-based compensation expense related to unvested performance-based stock options was immaterial.

Employee stock purchase plan— The 2021 Employee Stock Purchase Plan (the "ESPP") became effective on October 29, 2021. The Company initially reserved 2,800,000 shares of the Company's common stock under the ESPP. Shares reserved for issuance shall increase on the first day of the fiscal year, beginning in fiscal 2023, in an amount equal to the least of 1% of the outstanding shares of common stock on the last day of the immediately preceding fiscal year, three times the initial number of shares reserved under the ESPP, or a lesser amount determined by the Company's Board of Directors or compensation committee. On January 1, 2023, the shares available for future grants under the ESPP automatically increased by 1,450,137 pursuant to the above evergreen provision of the 2021 ESPP.

As of March 31, 2023, total unrecognized compensation cost for the ESPP was \$6.5 million, which will be recognized over a weighted average period of 1.3 years.

Other equity transactions— On February 28, 2023, the Company entered into a transition agreement with Mr. Coccarri under which he will provide transition advice through February 28, 2024. During the transition period, he will continue to meet the definition of a service provider under the 2021 Plan, and his equity incentive awards will continue to vest in accordance with their original vesting schedules. Because the scope of services to be provided under the transition period represent a substantive reduction in services being provided by the former CEO, the Company recognized \$3.1 million in stock-based compensation expense during the three months ended March 31, 2023, that would have otherwise been recognized from April 2023 to February 2024.

On August 24, 2021, the Company issued 61,300 shares of Udemy restricted common stock to a former executive of CorpU at a grant date fair value per share of \$34.14. The total compensation cost recognized during the three months ended March 31, 2023 and 2022 was \$0.2 million and \$0.2 million, respectively. As of March 31, 2023, total compensation cost related to the restricted stock not yet recognized was \$1.0 million, which will be recognized over a weighted average period of 1.4 years.

Total stock-based compensation expense included in the condensed consolidated statements of operations was as follows (in thousands):

	Three Months Ended March 31,	
	2023	2022
Cost of revenue	\$ 1,593	\$ 840
Sales and marketing	7,277	4,137
Research and development	6,294	3,334
General and administrative	9,911	5,031
Restructuring charges	1,208	—
Total stock-based compensation expense	\$ 26,283	\$ 13,342

The Company capitalized \$2.3 million and \$1.2 million of stock-based compensation expense as capitalized software during the three months ended March 31, 2023 and 2022, respectively.

12. Net loss per share

The following table presents the calculation of basic and diluted net loss per share attributable to common stockholders (in thousands, except share and per share amounts):

	Three Months Ended March 31,	
	2023	2022
Numerator:		
Net loss	\$ (44,544)	\$ (25,649)
Denominator:		
Weighted-average shares used in computing net loss per share		
Basic and diluted	145,737,709	139,405,294
Net loss per share		
Basic and diluted	\$ (0.31)	\$ (0.18)

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

	Three Months Ended March 31,	
	2023	2022
Stock options	9,925,732	19,703,879
RSUs, PSUs, and restricted stock	17,431,152	4,168,525
Contingently issuable shares under ESPP	550,259	440,920
Total potentially dilutive securities	27,907,143	24,313,324

13. Segment and geographic information

The Company's Chief Executive Officer is its CODM. The CODM reviews separate financial information presented for the Company's two segments, Enterprise and Consumer, in order to allocate resources and evaluate the Company's financial performance.

Financial information for each reportable segment was as follows (in thousands):

	Three Months Ended March 31,	
	2023	2022
Revenue		
Enterprise	\$ 95,242	\$ 64,911
Consumer	81,188	87,312
Total revenue	176,430	152,223
Segment cost of revenue		
Enterprise	32,867	22,163
Consumer	37,496	39,797
Total segment cost of revenue	70,363	61,960
Segment gross profit		
Enterprise	62,375	42,748
Consumer	43,692	47,515
Total segment gross profit	106,067	90,263
Reconciliation of segment gross profit to gross profit		
Amortization of capitalized software	3,903	2,724
Amortization of intangible assets	725	725
Depreciation	117	189
Stock-based compensation	1,593	840
Total reconciling items	6,338	4,478
Total gross profit	\$ 99,729	\$ 85,785

Geographic information

Revenue: The following table summarizes the revenue by region based on the billing address of the Company's customers (in thousands):

	Three Months Ended March 31,	
	2023	2022
North America	\$ 71,707	\$ 60,588
Europe, Middle East, Africa	54,551	47,725
Asia Pacific	38,159	33,188
Latin America	12,013	10,722
Total revenue	\$ 176,430	\$ 152,223

No single country other than the United States represented 10% or more of the Company's total revenue during the three months ended March 31, 2023 or 2022.

Long-lived assets: The following table presents the Company's long-lived assets, which consist of tangible property and equipment, net of depreciation, and operating lease ROU assets, by geographic region (in thousands):

	March 31,		December 31,	
	2023		2022	
North America	\$	11,083	\$	12,782
Rest of world		4,933		5,556
Total long-lived assets	\$	16,016	\$	18,338

14. Restructuring charges

On February 13, 2023, the Company communicated to its employees that in response to current macroeconomic conditions and to further streamline its operations and cost structure, it would reduce its global workforce by approximately 10%. As a result, the Company recognized total restructuring charges of \$10.1 million in the first quarter of 2023, primarily consisting of \$8.9 million of personnel expenses such as salaries and wages, one-time severance payments, and other benefits. The Company also recognized \$1.2 million of stock-based compensation expense on the communication date, resulting from impacted employees having no future substantive service requirement but continuing to vest into their equity awards during legally required retention periods as well as certain modifications to enable additional vesting after impacted employees' termination dates. The Company expects the restructuring to be complete by the end of the third quarter of 2023.

Restructuring charges are presented as separate operating expenses within the Company's condensed consolidated statements of operations. The following table summarizes the activity related to the restructuring liability recorded in accrued compensation and benefits in the accompanying condensed consolidated balance sheets (in thousands):

Beginning balance— January 1, 2023	\$	—
Restructuring charges		8,920
Settlements		(4,376)
Ending balance— March 31, 2023	\$	4,544

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

You should read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and related notes included elsewhere in this Form 10-Q. In addition to historical condensed consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. You should review the sections titled "Special Note Regarding Forward-Looking Statements" for a discussion of forward-looking statements and in Part II, Item 1A, "Risk Factors" for a discussion of factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis and elsewhere in this Form 10-Q.

Overview

Our mission is to improve lives through learning.

We believe traditional education and training methods are fast becoming outdated. Technological advancements and novel industries have significantly altered the types of skills required of workers, and lifelong training and continuous skills acquisition are becoming the norm. There is a clear need to expand access to learning across traditional barriers such as geography and social demographics. Our online platform empowers organizations and individuals with flexible and effective skill acquisition and development, connecting global learners with relevant and up-to-date knowledge from experts and practitioners around the world.

Udemy's consumer marketplace has attracted nearly 62 million learners in over 180 countries who are looking for the knowledge and skills they need to attain in-demand jobs, further their career, and improve their well-being. We curate the highest-quality content from our marketplace for Udemy's enterprise SaaS platform, Udemy Business, which enables companies around the world to offer effective on-demand learning for employees, immersive laboratory-style learning for tech teams, and cohort-based learning focused on leadership development. Our network of over 70,000 instructors have created over 200,000 courses in nearly 75 languages that cover a wide range of topics, including technology, business, soft skills, and personal development.

Workforce reduction

In February 2023, in response to current macroeconomic conditions and to further streamline our operations and cost structure, we enacted a plan to reduce our global workforce by approximately 10%. As a result, we recognized charges of \$10.1 million in the first quarter of 2023, primarily consisting of personnel expenses such as salaries and wages, one-time severance payments, and other benefits, as well as stock-based compensation expense. We expect the restructuring plan to be complete by the end of the third quarter of 2023.

Key factors impacting our performance

We believe that the growth of our business and our future success are dependent upon many factors. While each of these factors presents 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 attract and engage new learners and Udemy Business customers

To grow our business, we must attract new learners and UB customers efficiently and increase engagement on our platform over time. We acquire a substantial portion of our learners via organic channels and also use paid marketing to further enhance the growth of our learner base. Our organic channels include those outside of our paid market efforts, such as a Udemy brand name internet search. Once we bring new learners onto our platform, we work to create a best-in-class experience to encourage engagement and drive learning and career outcomes.

Ability to retain and expand our existing learner and customer relationships

Our business and results of operations will depend on our ability to continue to drive higher usage of our platform within our existing customer base and our ability to add new customers.

Our efforts to grow our existing relationships with our consumer learners are focused on increasing their engagement and converting free learners into buyers. New learners to our platform typically begin to engage with our free courses, which serve as a funnel to grow our total learner base and drive referrals to our paid offerings.

Our efforts to grow our UB offering are focused primarily on corporate and government customers. Historically, we have expanded from individual to department to multi-department to enterprise-wide sales as our value is proven. Building upon this success, we believe a significant opportunity exists for us to acquire new UB customers and expand our existing UB customers' use of our platform by identifying new use cases and increasing the size of existing deployments.

We often enter into customized contractual arrangements with our UB customers in which we offer more favorable pricing terms in exchange for larger total contract values that accompany larger deployments. As we drive a greater portion of our revenue through our deployments with UB customers, we expect that our revenue will continue to grow significantly, but the price we charge UB customers per seat may decline, which could reduce margins in the future.

Ability to source in-demand content from our instructors

We believe that learners and UB customers are attracted to Udemy largely because of the high quality and wide selection of content our instructors offer. Continuing to source in-demand content and credentials from our instructors will be an important factor in attracting learners and UB customers and growing our revenue over time. When we offer content as part of the UB and consumer subscription offerings, our instructors agree to contribute such content exclusively through our platform, which we believe demonstrates our ability to increase the value of our platform through unique content.

Although we view the breadth and diverse expertise of our instructor base and the content they create as one of our competitive advantages, a significant portion of the most popular content on our platform, and as a result a significant portion of our revenue, is attributable to a limited number of our instructors. We experienced minimal turnover among top instructors during the three months ended March 31, 2023.

Impact of mix of Enterprise and Consumer segments

Our mix of business among our Enterprise and Consumer segments is shifting, and this shift will affect our financial performance. Content costs for our Enterprise segment are lower relative to our Consumer segment. The mix of customer acquisition methods in our Consumer segment will substantially impact our financial performance. We presently expect that revenue from our Enterprise segment will grow faster than our Consumer segment, which will be beneficial to our overall margins.

Ability to expand our international footprint

We currently generate a significant portion of our revenue outside North America. We see a significant opportunity to expand our offerings into regions with large underserved adult learning populations. We have invested, and plan to continue to invest, in personnel and marketing efforts to support our international growth and expand our international operations as part of our strategy to grow our customer and learner base, particularly among our UB customers. We also plan to continue investing in strategic partnerships that either extend our marketing reach or the capabilities and reach of our global go-to-market sales team.

Our investment in growth

We are actively investing in our business as we believe that we are only beginning to penetrate our market opportunity, and we intend to continue to invest in our future growth. We anticipate that our operating expenses will increase as we continue to build our sales and marketing efforts, expand our course catalog, develop our immersive learning capabilities, and invest in our technology development. Any investments we make in our sales and marketing organization, in encouraging the development of new content, and in expanding our platform offerings and capabilities, whether organically or through acquisitions, will occur in advance of the benefits from such investments, making it difficult to determine if we are efficiently allocating our resources in these areas.

Pace of adoption of cloud-based skill development solutions

Our ability to grow our learner base and drive market adoption of our platform is affected by the overall demand for cloud-based skill development solutions. The market for cloud-based skill development is less mature than the market for in-person, instructor-led-training, and potential customers may be slow or unwilling to migrate from these legacy approaches. We believe that as technology becomes increasingly critical to business operations, the need for cloud-based skill development solutions, particularly an integrated enterprise-grade platform such as ours, will increase, and our customer base and the breadth and deployment of usage in our customer base will also increase. However, it is difficult to predict customer adoption rates and demand, the future growth rate and size of the market for cloud-based skill development solutions, or the entry of competitive solutions.

Components of results of operations

Revenue

We recognize revenue from contracts with UB customers and paid consumer learners by delivering access to our online learning platform.

Enterprise revenue primarily relates to enterprise license subscription contracts with annual or multi-year subscription terms. Enterprise license subscriptions include Team Plan, Enterprise Plan, Udemy Business Pro, and Learning Academy. Enterprise subscriptions are generally billed in advance on a quarterly or annual basis. Subscription revenue excludes any taxes to be remitted to governmental authorities. Access to the Udemy platform represents a series of distinct services as we continually provide access to course content and fulfill our obligation to the UB customer over the subscription term. Because the series of distinct services represents a single performance obligation that is satisfied over time, we recognize revenue ratably over the contractual subscription term. Enterprise revenue recognized from professional services was immaterial for the periods presented.

Consumer revenue consists of individual course content purchases made by individual learners, as well as our consumer subscription offerings. Consumer revenue includes the gross transaction value paid by the learner at checkout, net of (a) actual and estimated refunds and (b) passthrough taxes collected from learners and remitted to governmental authorities. After a successful checkout, consumer learners receive a non-exclusive license to the digital course content in addition to stand-ready access to the Udemy platform hosting services needed to access the content. Access to the online content on the Udemy platform represents a series of distinct services as we continually provide access to and fulfill our hosting obligation to the learner. This series of distinct services represents a single performance obligation that is satisfied over time. Revenue from single course purchases is recognized ratably over the estimated service period, which is four months from the date of enrollment, while revenue from consumer subscriptions is recognized ratably over the contractual subscription term.

We are the principal with respect to revenue generated from sales to UB and consumer customers as we control the performance obligation and are the primary obligor with respect to delivering our customers access to the course content.

Cost of revenue

Cost of revenue primarily consists of content costs, which are the payments to our instructors. Content costs are driven by the means by which we acquired the learner consuming the content. For courses offered on Udemy's consumer marketplace, instructors earn a specific percentage of the net sale amount when a learner purchases the instructor's course. For courses offered through Udemy Business or a consumer subscription offering, instructors earn a pro-rata share of a monthly instructor payments pool for that subscription offering. Each month, Udemy calculates the revenue for each subscription offering, with a fixed percentage allocated as an instructor payments pool. Instructors whose content is included in the collection earn a prorated portion of this pool based on the number of minutes of consumption their courses achieved that month.

Content costs as a percentage of revenue for our UB and consumer subscription offerings are lower relative to individual course content purchases in our consumer offering. As a result, shifts in the mix between offerings is expected to be a significant driver of future changes in gross margin. Content costs are recorded as cost of revenue in the period earned by our instructors. For consumer single course purchases, content costs are incurred at the time of purchase. As consumer course content revenue is recognized ratably over an estimated service period of four months, consumer gross margins are lower in the period of purchase, and higher in the remaining periods of the estimated service period over which revenue is recognized. For our subscription based UB offering, content costs are incurred based on monthly subscription fees, and margins are more stable from period to period.

Cost of revenue also includes payment and mobile processing fees, costs associated with hosting digital content, employee related expenses for our customer support organization, including salaries, benefits, stock-based compensation, facilities and other expenses, depreciation of network equipment, amortization of capitalized software, amortization of vendor relationships and developed technologies acquired through business combinations, and the portion of fees paid to certain reseller partners attributable to their providing customer support services to UB customers. We expect cost of revenue to generally decrease as a percentage of revenue as we increase the percentage of revenue derived from our UB offering.

Operating expenses

Operating expenses consist of research and development, sales and marketing, general and administrative expenses, and restructuring charges. Personnel costs are the most significant component of our operating expenses and consist of salaries, benefits, bonuses, stock-based compensation, and commissions. Our operating expenses also include allocated costs of facilities, information technology, depreciation, and amortization. Although our operating expenses may fluctuate from period to period, we currently expect our operating expenses to increase in absolute dollars over time.

Sales and marketing

Our sales and marketing expenses consist primarily of personnel-related costs, including stock-based compensation, as well as marketing costs, costs related to customer and instructor acquisition, amortization of deferred contract costs, amortization of tradenames and customer relationships acquired through business combinations, and brand marketing. Sales and marketing expenses also consist of costs incurred for hosting and customer support services related to providing our platform to free learners. We expect sales and marketing expenses to increase in absolute dollars as our business grows. In addition, we expect sales and marketing expenses as a percentage of revenue to vary from period to period but generally decrease over the long term.

Research and development

Our research and development expenses consist primarily of personnel-related costs, including stock-based compensation, costs related to the ongoing management, maintenance, and expansion of features and services offered on our platform. Research and development costs also include contracted services, supplies, and other miscellaneous expenses. We believe that continued investment in our platform is important to our future growth and to maintain and attract learners to our platform. As a result, we expect research and development expenses to increase in absolute dollars. In addition, we expect research and development expenses as a percentage of revenue to vary from period to period but generally decrease over the long term.

General and administrative

Our general and administrative expenses consist primarily of personnel-related costs, including stock-based compensation, costs related to our executive, legal, finance, and human resources departments, as well as charges for indirect tax reserves, allowance for credit losses, professional fees, and other corporate expenses.

We expect general and administrative expenses to increase in absolute dollars as our business grows. In addition, we expect general and administrative expenses as a percentage of revenue to vary from period to period but generally decrease over the long term.

Restructuring charges

Our restructuring charges consist primarily of personnel expenses, such as employee severance, benefits costs, and stock-based compensation, related to the reduction of our global workforce in the first quarter of 2023.

Interest income, net

Interest income consists primarily of interest income earned on our cash equivalents and short-term and long-term investments, including amortization of premiums and accretion of discounts related to our available-for-sale marketable securities, net of associated fees. Interest expense consists primarily of interest expense recorded related to certain indirect tax reserves.

Other expense, net

Other income (expense), net consists primarily of foreign currency transaction gains and losses, as well as changes in the valuation of strategic investments, if any.

Income tax provision

Our income tax provision consists primarily of income taxes in certain foreign jurisdictions in which we conduct business. We have a full valuation allowance against our U.S. federal and state deferred tax assets as the realization of the full amount of these deferred tax assets is uncertain, including net operating loss carryforwards and tax credits related primarily to research and development. The valuation allowance is driven by our overall loss position, and we will not be able to utilize any of these favorable tax attributes until we are in a taxable income position. When we begin to consistently operate in a taxable income position, we may release portions of the valuation allowance to recognize and use those tax attributes. Until then, we expect to maintain this full valuation allowance until it becomes more likely than not that the deferred tax assets will be realized.

Results of operations

The following table summarizes our results of operations for the periods presented. The results below are not necessarily indicative of results to be expected for future periods. Results are as follows (in thousands):

	Three Months Ended March 31,	
	2023	2022
Revenue	\$ 176,430	\$ 152,223
Cost of revenue (1)(2)	76,701	66,438
Gross profit	99,729	85,785
Operating expenses (1)(2)		
Sales and marketing	79,657	66,878
Research and development	30,887	22,570
General and administrative	26,334	21,653
Restructuring charges	10,128	—
Total operating expenses	147,006	111,101
Loss from operations	(47,277)	(25,316)
Other income (expense)		
Interest income, net	3,932	243
Other expense, net	(142)	(244)
Total other income (expense), net	3,790	(1)
Net loss before taxes	(43,487)	(25,317)
Income tax provision	(1,057)	(332)
Net loss	\$ (44,544)	\$ (25,649)
Net loss per share		
Basic and diluted	\$ (0.31)	\$ (0.18)
Weighted-average shares used in computing net loss per share		
Basic and diluted	145,737,709	139,405,294

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

	Three Months Ended March 31,	
	2023	2022
Cost of revenue	\$ 1,593	\$ 840
Sales and marketing	7,277	4,137
Research and development	6,294	3,334
General and administrative	9,911	5,031
Restructuring charges	1,208	—
Total stock-based compensation expense	\$ 26,283	\$ 13,342

(2) Includes amortization of intangible assets as follows (in thousands):

	Three Months Ended March 31,	
	2023	2022
Cost of revenue	\$ 725	\$ 724
Sales and marketing	342	342
Total amortization of intangible assets	\$ 1,067	\$ 1,066

The following table summarizes our results of operations as a percentage of revenue for each of the periods indicated:

	Three Months Ended March 31,	
	2023	2022
Revenue	100 %	100 %
Cost of revenue	43	44
Gross profit	57	56
Operating expenses		
Sales and marketing	45	44
Research and development	18	15
General and administrative	16	14
Restructuring charges	5	—
Total operating expenses	84	73
Loss from operations	(27)	(17)
Other income (expense)		
Interest income, net	2	—
Other expense, net	—	—
Total other income (expense), net	2	—
Net loss before taxes	(25)	(17)
Income tax provision	—	—
Net loss attributable to common stockholders	(25)%	(17)%

Comparison of the three months ended March 31, 2023 and 2022

Revenue

	Three Months Ended March 31,		Change	
	2023	2022	\$	%
(in thousands, except percentages)				
Revenue				
Enterprise	\$ 95,242	\$ 64,911	\$ 30,331	47 %
Consumer	81,188	87,312	(6,124)	(7)%
Total revenue	\$ 176,430	\$ 152,223	\$ 24,207	16 %

Revenue for the three months ended March 31, 2023, was \$176.4 million, compared to \$152.2 million for the same period in the prior year, which represents an increase of \$24.2 million, or 16%. For the three months ended March 31, 2023, Enterprise and Consumer revenue was \$95.2 million and \$81.2 million, respectively, representing 54% and 46% of total revenue, respectively, compared to \$64.9 million and \$87.3 million, respectively, representing 43% and 57% of total revenue, respectively, for the same period in the prior year. The increase in revenue for the three months ended March 31, 2023 was primarily driven by the significant growth in our UB customer base, which was partially offset by a decrease in Consumer revenue during the same period.

For the three months ended March 31, 2023, total Enterprise revenue increased by \$30.3 million, or 47%, compared to the same period in the prior year. The increase in Enterprise revenue was primarily driven by an increase in the number of UB customers, as well as net expansions in our existing UB customer base. These changes were partially offset by a negative impact from foreign currency exchange rates.

For the three months ended March 31, 2023, total Consumer revenue decreased by \$6.1 million, or 7%, compared to the same period in the prior year. The decrease in Consumer revenue is primarily due to negative impacts from foreign currency exchange rates. Monthly average buyers were flat for the comparative periods.

Cost of revenue, gross profit and gross margin

	Three Months Ended March 31,		Change	
	2023	2022	\$	%
(in thousands, except percentages)				
Cost of revenue	\$ 76,701	\$ 66,438	\$ 10,263	15 %
Gross profit	99,729	85,785	13,944	16 %
Gross margin	57 %	56 %		

Cost of revenue for the three months ended March 31, 2023 was \$76.7 million, compared to \$66.4 million for the same period in the prior year, which represents an increase of \$10.3 million, or 15%. Content costs for the Enterprise and Consumer segments were \$21.8 million and \$29.9 million for the three months ended March 31, 2023, respectively, compared to \$15.2 million and \$32.3 million for the same period in the prior year, respectively. Content costs as a percentage of segment revenue for the Enterprise and Consumer segments were 23% and 37%, respectively, for both the three months ended March 31, 2023 and 2022.

In our Enterprise segment, customer support costs increased by \$3.6 million in the three months ended March 31, 2023, as compared to the same period in the prior year. This change is primarily driven by the growth in our customer support organization as well as our reseller business, in which we incur fees for reseller partners that provide customer support services. In our Consumer segment, customer support costs, hosting and platform fees, and payment processing fees were all consistent with those costs incurred the same period in the prior year. On a consolidated basis, there was an increase of \$1.2 million in amortization of capitalized software and an increase of \$0.8 million related to stock-based compensation expense for the three months ended March 31, 2023, when compared to the same period in the prior year.

Gross margin was 57% for the three months ended March 31, 2023, compared to 56% for the same period in the prior year. The increase in gross margin was primarily due to a shift in mix of revenue toward our Enterprise segment, which has comparatively lower content costs as a percentage of revenue than the Consumer segment.

Operating expenses

	Three Months Ended March 31,		Change	
	2023	2022	\$	%
(in thousands, except percentages)				
Operating expenses				
Sales and marketing	\$ 79,657	\$ 66,878	\$ 12,779	19 %
Research and development	30,887	22,570	8,317	37 %
General and administrative	26,334	21,653	4,681	22 %
Restructuring charges	10,128	—	10,128	n/m
Total operating expenses	\$ 147,006	\$ 111,101	\$ 35,905	32 %

n/m - not meaningful

Sales and marketing. Sales and marketing expenses for the three months ended March 31, 2023 were \$79.7 million, compared to \$66.9 million for the same period in the prior year. The \$12.8 million increase in sales and marketing expense was primarily due to higher personnel-related expenses of \$4.7 million, driven by headcount growth in our sales force to support additional demand for our platform; increased stock-based compensation expense of \$3.1 million; increased amortization expense related to deferred contract acquisition costs of \$3.9 million, driven by an expansion of our UB customer base over time; a \$2.5 million increase in travel and employee activities due to additional in-person sales events and the easing of COVID-19 travel restrictions; and a \$1.3 million increase in software subscriptions and allocated costs to support the growth in our sales force. These increases were partially offset by a decrease in marketing costs of \$2.9 million.

Research and development. Research and development expenses for the three months ended March 31, 2023 were \$30.9 million, compared to \$22.6 million for the same period in the prior year. The \$8.3 million increase was primarily due to higher personnel-related expenses of \$3.2 million, mainly driven by additional headcount; increased stock-based compensation expense of \$3.0 million; and an additional \$1.8 million of software subscriptions and allocated costs to support the growth of our business.

General and administrative. General and administrative expenses for the three months ended March 31, 2023 were \$26.3 million, compared to \$21.7 million for the same period in the prior year. The \$4.7 million increase in general and administrative expense was primarily due to an increase of \$1.2 million in personnel-related expenses, mainly driven by additional headcount, and an increase in stock-based compensation expense of \$4.9 million, primarily driven by the accelerated expense incurred as a result of the transition of our former CEO. These changes were partially offset by a \$1.0 million decrease in professional services.

Restructuring charges. Restructuring charges for the three months ended March 31, 2023 totaled \$10.1 million. These charges consisted of \$8.9 million of personnel and other expenses, such as employee severance and benefits costs, as well as \$1.2 million of stock-based compensation expense. There were no restructuring activities in the same period in the prior year.

Total other income (expense), net

	Three Months Ended March 31,		Change	
	2023	2022	\$	%
(in thousands, except percentages)				
Other income (expense)				
Interest income, net	\$ 3,932	\$ 243	\$ 3,689	n/m
Other expense, net	(142)	(244)	102	(42)%
Total other income (expense), net	\$ 3,790	\$ (1)	\$ 3,791	n/m

n/m - not meaningful

We recorded \$3.8 million of total other income (expense), net for the three months ended March 31, 2023, compared to an immaterial amount for the same period in the prior year. For the three months ended March 31, 2023, interest income, net was primarily attributable to interest earned on our existing cash and cash equivalents balances and accretion income from marketable securities portfolio, totaling \$4.2 million, partially offset by \$0.4 million of interest expense incurred, primarily related to indirect tax reserves. The Company did not launch its investments portfolio until the third quarter of 2022, such that interest income was not significant in the same period of the prior year.

Income tax provision

	Three Months Ended March 31,		Change	
	2023	2022	\$	%
(in thousands, except percentages)				
Income tax provision	\$ (1,057)	\$ (332)	\$ (725)	218 %

For the three months ended March 31, 2023, we recognized income tax expense of \$1.1 million, compared to \$0.3 million for the same period in the prior year. Income tax expense for the three months ended March 31, 2023 and 2022, was primarily comprised of foreign and state taxes.

Certain key business metrics and non-GAAP financial metrics

In addition to the measures presented in our condensed consolidated financial statements, we use the key business metrics and non-GAAP financial metrics identified below to help us assess the health of our community, evaluate our business, identify trends affecting our business, formulate business plans, and make strategic decisions.

Monthly average buyers

A buyer is a consumer who purchases a course or subscription through our direct-to-consumer offering. We first determine the number of monthly buyers by taking the total buyers of single courses during a given month plus the total active, paid consumer subscribers at any point in that month, adjusting for duplicate buyers that may be present in both totals. We then calculate monthly average buyers by taking an average of the monthly buyer totals over a particular period, such as a fiscal year. Our monthly average buyer count is not intended as a measure of active engagement, as not all buyers are active at any given time or over any given period. We believe that the number of monthly average buyers in a given period is an important indicator of the growth of our business and potential future revenue trends. Our monthly average buyers count is expected to fluctuate in future periods due to a number of factors, including the growth of our customer base, expansion of products and features, and our ability to retain our Consumer customers.

	Three Months Ended March 31,		%
	2023	2022	
	(in thousands)		
Monthly average buyers	1,393	1,383	1%

Udemy Business customers

We count the total number of UB customers at the end of each period. To do so, we generally count unique customers using the concept of a domestic ultimate parent, defined as the highest business in the family tree that is in the same country as the contracted entity. In some cases, we deviate from this methodology, defining the contracted entity as a unique customer despite existence of a domestic ultimate parent. This often occurs where the domestic ultimate parent is a financial owner, government entity, or acquisition target where we have contracted directly with the subsidiary. We define a UB customer as a customer who purchases Udemy via our direct sales force, reseller partnerships or through our self-service platform. We believe that the number of UB customers and our ability to increase this number is an important indicator of the growth of our UB and future revenue trends. The increase in UB customers is primarily attributable to the continued pursuit of our global land and expand strategy, as well as growth of our enterprise sales force.

	March 31,		%
	2023	2022	
Udemy Business customers	14,359	11,605	24%

Udemy Business Annual Recurring Revenue

We disclose our UB Annual Recurring Revenue (“ARR”) as a measure of our Enterprise revenue growth. ARR represents the annualized value of our UB customer contracts on the last day of a given period. Only revenue from closed UB contracts with active seats as of the last day of the period are included. The increase in UB ARR was primarily driven by an increase in the number of UB customers, as well as an increase in the average deal size per new customer and net expansions in our existing UB customer base. Pricing was not a significant driver of the increase in UB ARR.

	March 31,		%
	2023	2022	
	(in thousands)		
Udemy Business annual recurring revenue	\$ 396,049	\$ 279,645	42%

Udemy Business Net Dollar Retention Rate and Udemy Business Large Customer Net Dollar Retention Rate

We disclose UB Net Dollar Retention Rate, or UB NDRR, as a measure of revenue growth for all UB customers within our Enterprise segment, including UB Large Customers, which we define as companies with at least 1,000 employees. We believe UB NDRR is an important metric that provides insight into the long-term value of our UB subscription agreements and our ability to retain and grow revenue from our UB customers. We believe UB Large Customer NDRR reflects our ability to retain and expand our footprint with larger organizations, who present greater opportunities for us to retain and grow revenue given the wider range of potential use cases and land-and-expand opportunities.

We calculate UB NDRR as the total ARR at the end of a trailing twelve-month period divided by the total ARR at the beginning of a trailing twelve-month period for the cohort of all UB customers active at the beginning of the trailing twelve-month period. We calculate UB Large Customer NDRR as the total UB Large Customer ARR at the end of a trailing twelve-month period divided by the total Large Customer ARR at the beginning of a trailing twelve-month period for the cohort of UB customers with at least 1,000 employees active at the beginning of the trailing twelve-month period. Total ARR and Large Customer ARR at the end of a trailing twelve-month period are calculated as ARR and Large Customer ARR, respectively, at the beginning of a trailing twelve-month period that are then adjusted for upsells, downsells, and churns for the same cohort of customers during that period. Large Customer ARR represents the annualized value of contracts for UB customers with active seats and having at least 1,000 employees on the last day of a given period.

Our UB NDRR and UB Large Customer NDRR are expected to fluctuate in future periods due to a number of factors, including the growth of our revenue base, the penetration within our learner base, expansion of products and features, and our ability to retain our UB customers. The decreases in our NDRR metrics were driven by lower rates of upsells and expansion, which were negatively impacted by longer sales cycles in light of overall economic factors.

	March 31,		%
	2023	2022	
Udemy Business net dollar retention rate	112 %	120 %	(7)%
Udemy Business Large Customer net dollar retention rate	120 %	127 %	(6)%

Segment revenue and segment gross profit

Our revenue is generated from our UB and Consumer offerings, each of which is an individual segment of our business. Segment revenue represents the revenue recognized from each of these offerings and is a key measure of the performance of our platform, and in turn drives our financial performance. We also monitor segment gross profit as a key metric to help evaluate the financial performance of our individual segments and our business as a whole. Segment gross profit is defined as segment revenue less segment cost of revenue, which include content costs, hosting and platform costs, customer support services, and payment processing fees that are allocable to each segment. Segment gross profit excludes amortization of capitalized software, amortization of intangible assets, depreciation, and stock-based compensation allocated to cost of revenue as our chief operating decision maker does not include the information in his measurement of the performance of the operating segments. Content costs, which are payments made to our instructors, are the largest individual component of segment cost of revenue. We expect to increase the percentage of our revenue derived from our Enterprise segment over time, which we expect will improve our gross margins.

	Three Months Ended March 31,	
	2023	2022
	(in thousands, except percentages)	
Enterprise segment revenue	\$ 95,242	\$ 64,911
Enterprise segment gross profit	\$ 62,375	\$ 42,748
Enterprise segment gross margin	65 %	66 %
Consumer segment revenue	\$ 81,188	\$ 87,312
Consumer segment gross profit	\$ 43,692	\$ 47,515
Consumer segment gross margin	54 %	54 %

For the three months ended March 31, 2023, the decrease in Enterprise segment gross margin was primarily due to an increase in expenses associated with customer support services, driven by growth in our customer support organization and fees incurred for reseller partners that provide customer support services.

For the three months ended March 31, 2023, the Consumer segment gross margin was generally consistent with the prior year, as the mix of content costs, hosting costs, payment processing fees, and customer support services remained a consistent percentage of Consumer revenue when compared to the same period in the prior year.

Non-GAAP financial metrics

In addition to the measures presented in our condensed consolidated financial statements, we use the following non-GAAP financial metrics identified below to help us evaluate our business, formulate business plans, and make strategic decisions.

Adjusted EBITDA and adjusted EBITDA margin

As adjusted EBITDA facilitates internal comparisons of our historical operating performance on a more consistent basis, we use this measure for business planning purposes. Accordingly, we believe that adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management team and board of directors. In addition, it provides a useful measure for period-to-period comparisons of our business, as it removes the effect of certain non-cash expenses and certain variable charges.

We define adjusted EBITDA as net loss, adjusted to exclude:

- interest expense (income), net;
- provision for income taxes;
- depreciation and amortization;
- stock-based compensation expense;
- other expense (income), net; and
- restructuring charges.

We define adjusted EBITDA margin as adjusted EBITDA divided by revenue for the same period.

The following table provides a reconciliation of net loss, the most directly comparable GAAP financial measure, to adjusted EBITDA (in thousands):

	Three Months Ended March 31,	
	2023	2022
Net loss	\$ (44,544)	\$ (25,649)
Adjusted to exclude the following:		
Interest income, net	(3,932)	(243)
Income tax provision	1,057	332
Depreciation and amortization	5,786	4,967
Stock-based compensation expense	25,075	13,342
Other expense, net	142	244
Restructuring charges	10,128	—
Adjusted EBITDA	\$ (6,288)	\$ (7,007)

The following table provides a reconciliation of net loss margin, the most directly comparable GAAP financial measure, to adjusted EBITDA margin (in thousands, except percentages):

	Three Months Ended March 31,	
	2023	2022
Revenue	\$ 176,430	\$ 152,223
Net loss	\$ (44,544)	\$ (25,649)
Net loss margin	(25)%	(17)%
Revenue	\$ 176,430	\$ 152,223
Adjusted EBITDA	\$ (6,288)	\$ (7,007)
Adjusted EBITDA margin	(4)%	(5)%

Net loss increased by \$18.9 million in the three months ended March 31, 2023 compared to the same period in the prior year, and adjusted EBITDA improved by \$0.7 million in the three months ended March 31, 2023 compared to the same period in the prior year. The increase in net loss was primarily driven by increase in stock-based compensation of \$11.7 million, excluding stock-based compensation included in restructuring charges, as well as other increased operating expenses as we scale and grow our business. The improvement in adjusted EBITDA was primarily due to additional stock-based compensation and the addition of restructuring charges. These changes were offset by an increase in our net loss, primarily driven by increased operating expenses as we scale and grow our business.

Liquidity and capital resources

As of March 31, 2023, our principal sources of liquidity were cash, cash equivalents and restricted cash of \$279.3 million and marketable securities of \$169.6 million. Cash and cash equivalents includes money market funds, certain U.S. government securities purchased with original maturities of less than 90 days, on demand deposits, and amounts in transit from certain payment processors for credit and debit card transactions. Restricted cash totaled \$3.6 million and consists of cash deposited with financial institutions held as collateral for our obligations under various facility leases. Marketable securities are comprised of investments in U.S. government securities with an original maturity greater than 90 days at the date of purchase. Our non-U.S. cash and cash equivalents have been earmarked for indefinite investment in our operations outside the U.S., and consequently no U.S. current or deferred taxes have been accrued on such amounts. We believe that our existing cash and cash equivalents and our expected cash flows from operations will be sufficient to meet our cash needs for at least the next 12 months.

As of March 31, 2023, there have been no material changes to our commitments and contractual obligations, in comparison to those set forth in our Annual Report, that occurred outside the ordinary course of business. Refer to Note 6 – Leases and Note 8 – Commitments and contingencies in our unaudited condensed consolidated financial statements, included in Part I, Item 1 of this Form 10-Q, for our outstanding commitments and contractual obligations as of March 31, 2023.

Over the long term, we plan to continue investing in the growth and development of our platform. If our available funds are insufficient to fund these future activities or execute on our business strategies, we may raise additional capital through equity, equity-linked or debt financing, to the extent such funding sources are available. Alternatively, we may be required to reduce expenses to manage liquidity; however, any such reductions could adversely impact our business and competitive position.

Sources of funds

We have historically financed our operations primarily through revenue, as well as proceeds from issuances of our capital stock. In October 2021, we received net proceeds of \$397.4 million, after deducting underwriting discounts and commissions of \$23.1 million, from our IPO. In November 2021, the underwriters exercised their option to purchase additional shares of our common stock, resulting in net proceeds of \$17.8 million after deducting underwriting discounts and commissions of \$1.0 million.

From time to time, we may explore additional financing sources, which could include equity, equity-linked or debt financing. In addition, in connection with any future acquisitions or strategic investments, we may pursue additional funding, which could include debt, equity or equity-linked financings, or a combination of these methods. We can provide no assurance that any additional financing will be available to us on acceptable terms.

Use of funds

Our principal uses of cash are funding our operations, capital expenditures and working capital requirements. We have generated significant net losses from our operations as reflected in our accumulated deficit of \$656.9 million as of March 31, 2023. We have generally incurred operating losses and generated negative cash flows from operations as we have invested in growing our business. Our operating cash requirements may increase in the future as we continue to invest in the development of our platform and the growth of our business. We cannot be certain our revenue will grow sufficiently to offset our operating expense increases. As a result, we may need to raise additional funds to support our operations, and such funding may not be available to us on acceptable terms, if at all.

The following table summarizes our cash flows for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2023	2022
Net cash provided by (used in):		
Operating activities	\$ (19,895)	\$ (13,975)
Investing activities	(19,319)	(8,277)
Financing activities	1,180	72
Effect of foreign exchange rates on cash flows	(18)	6
Net decrease in cash, cash equivalents and restricted cash	<u>\$ (38,052)</u>	<u>\$ (22,174)</u>

Operating activities

Cash used in operating activities mainly consists of our net loss adjusted for certain non-cash items, including stock-based compensation, depreciation and amortization, amortization of deferred sales commissions, as well as the effect of changes in operating assets and liabilities during each period.

Our main source of operating cash is payments received from our customers. Our primary use of cash from operating activities are for personnel-related expenses, instructor payments, advertising expenses, indirect taxes, and third-party cloud infrastructure expenses.

For the three months ended March 31, 2023, cash used in operating activities was \$19.9 million, primarily consisting of our net loss of \$44.5 million, adjusted for non-cash charges of \$43.0 million and net cash outflows of \$18.4 million provided by changes in our operating assets and liabilities. The main drivers of the changes in operating assets and liabilities were a \$2.1 million increase in deferred revenue, resulting primarily from our Enterprise segment growth, and a \$7.8 million decrease in accounts receivable, as cash collections from customers outpaced new billings. These changes were offset by a \$4.5 million decrease in accounts payable, accrued expenses and other current liabilities and a \$17.3 million increase in deferred contract costs.

For the three months ended March 31, 2022, cash used in operating activities was \$14.0 million, primarily consisting of our net loss of \$25.6 million, adjusted for non-cash charges of \$26.6 million and net cash outflows of \$15.0 million provided by changes in our operating assets and liabilities. The main drivers of the changes in operating assets and liabilities were a \$20.0 million increase in deferred revenue, resulting primarily from our enterprise business growth, offset by a \$22.0 million decrease in accounts payable, accrued expenses and other current liabilities, and a \$13.0 million increase in deferred contract costs.

Investing activities

For the three months ended March 31, 2023, net cash used in investing activities was \$19.3 million, primarily as a result of \$58.5 million in purchases of marketable securities and \$3.3 million related to capitalized software costs. These changes were partially offset by \$42.5 million of proceeds received from the maturity of marketable securities.

For the three months ended March 31, 2022, net cash used in investing activities was \$8.3 million, primarily as a result of our \$5.0 million purchase of strategic investments, and \$3.1 million related to capitalized software costs.

Financing activities

For the three months ended March 31, 2023, net cash provided by financing activities was \$1.2 million, driven by proceeds from issuance of common stock via stock option exercises.

For the three months ended March 31, 2022, net cash provided by financing activities was immaterial, as \$1.7 million in proceeds from the issuance of common stock following employee stock option exercises were offset by \$1.6 million in payments of deferred offering costs.

Off-balance sheet arrangements

During the periods presented, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Critical accounting policies and estimates

Our condensed consolidated financial statements have been prepared in accordance with GAAP. The preparation of these condensed consolidated financial statements 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 policies and estimates as compared to those described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Part II, Item 7 of our Annual Report.

Recent accounting pronouncements

See Note 2 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for information regarding recently issued accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest rate sensitivity

As of March 31, 2023 we had \$275.6 million of cash and cash equivalents, which includes money market funds, certain U.S. government securities purchased with original maturities of less than 90 days, on demand deposits, and amounts in transit from certain payment processors for credit and debit card transactions. We also held \$169.6 million of marketable securities, consisting of investments in various U.S. government securities. In addition, we had \$3.6 million of restricted cash, primarily due to the outstanding letter of credit related to the operating lease agreement for our corporate headquarters. We did not hold any long-term debt during the three months ended March 31, 2023 or 2022.

Our cash and cash equivalents are held for working capital purposes. Given the above facts and circumstances, hypothetical changes in interest rates of 100 basis points would not result in a material increase or decrease of either the market value of our portfolio of cash equivalents and marketable securities as of March 31, 2023, or interest income earned from our portfolio during the three months ended March 31, 2023.

Foreign currency risk

The reporting currency is the U.S. dollar. We determine the functional currency for each of our foreign subsidiaries by reviewing their operations and currencies used in their primary economic environments. Fluctuations in foreign currency exchange rates may cause us to recognize transaction gains and losses in our condensed consolidated statement of operations, or translation gains and losses in accumulated other comprehensive income (loss) as a component of stockholders' equity. Our marketable securities portfolio is also held in U.S. dollar investments, and 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. As such, a hypothetical 10% increase or decrease in current exchange rates would not have had a material impact on income or expense for the three months ended March 31, 2023 and 2022.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms and to provide reasonable assurance that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting

There were no changes to our internal control over financial reporting that occurred during the quarter ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent limitations on the effectiveness of internal controls over financial reporting

Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives as specified above. However, our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures will prevent or detect all error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within our company have been detected.

PART II.

Item 1. Legal Proceedings

From time to time, we are involved in legal proceedings and subject to claims that arise in the ordinary course of our business. Although the results of legal proceedings and claims cannot be predicted with certainty, we believe we are not currently party to any legal proceedings which, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results or financial condition.

California class action complaint

On August 23, 2021, a putative class action complaint captioned *Williams v. Udemy, Inc.*, Case No. 3:21-CV-06489, was filed against us in the U.S. District Court for the Northern District of California alleging violations of California's unfair competition and false advertising statutes as well as the California Consumer Legal Remedies Act in connection with our pricing practices. The complaint sought injunctive relief, unspecified damages, restitution and disgorgement of profits. On December 13, 2022, the parties entered into a definitive settlement agreement for an immaterial amount. On April 21, 2023, the court preliminarily approved the settlement agreement. Final approval of the settlement agreement is still pending as of the date of this report.

Other legal proceedings

We are subject to other legal proceedings and claims that arise in the ordinary course of business from time to time, as well as governmental and other regulatory investigations and proceedings. In addition, third parties may from time to time assert claims against us in the form of letters and other communications. We are not currently a party to any legal proceedings that, if determined adversely to us, would, in our opinion, have a material adverse effect on our business, financial condition, results of operations, or cash flows. Future litigation may be necessary to defend ourselves and our business partners and to determine the scope, enforceability, and validity of third-party proprietary rights, or to establish our proprietary rights. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

Item 1A. Risk Factors

Certain factors may have a material adverse effect on our business, financial condition, and results of operations. You should carefully consider the following risks, together with all of the other information contained in this Form 10-Q, including the sections titled “Special Note Regarding Forward-Looking Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our financial statements and the related notes included elsewhere in this Form 10-Q. Any of the following risks could have an adverse effect on our business, financial condition, operating results, or prospects and could cause the trading price of our common stock to decline, which would cause you to lose all or part of your investment. Our business, financial condition, operating results, or prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material. Our risk factors are not guarantees that no such conditions exist as of the date of this report and should not be interpreted as an affirmative statement that such risks or conditions have not materialized, in whole or in part.

Risks related to our business and operations

We have a history of losses, and we may not be able to generate sufficient revenue to achieve or maintain profitability in the future.

We incurred net losses of \$44.5 million and \$25.6 million during the three months ended March 31, 2023 and 2022, respectively, and, as of March 31, 2023, we had an accumulated deficit of \$656.9 million. We expect our losses to continue as we make significant investments towards growing our business and operating as a public company. We have invested, and expect to continue to invest, substantial financial and other resources in developing our platform, including expanding our platform offerings, developing or acquiring new platform features and services, expanding into new markets and geographies, and increasing our sales and marketing efforts. These expenditures will make achieving and maintaining profitability more difficult, and these efforts may also be more costly than we expect and may not result in increased revenue or growth in our business. Any failure to increase our revenue sufficiently to keep pace with our investments and other expenses could prevent us from achieving or maintaining profitability or positive cash flow on a consistent basis. 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 common stock could decline significantly, and you could lose some or all of your investment.

We operate in an emerging and dynamic market, which makes it difficult to evaluate our prospects and future results of operations.

The market for online learning solutions is relatively new and continues to evolve rapidly. These factors may make it difficult to accurately assess our future prospects and the risks, challenges, and uncertainties that we may encounter. These risks include:

- maintaining and increasing a base of learners, instructors, and UB customers using our platform;
- successfully competing with existing and future participants in the market for online learning solutions;
- successfully expanding our business in existing markets and entering new markets and geographies;
- anticipating and responding to market and broader economic conditions;
- avoiding interruptions or disruptions in the service of our platform;
- accurately forecasting our revenue and operating expenses on a quarterly and annual basis;
- maintaining and enhancing the value of our reputation and brand;
- attracting, hiring, and retaining qualified personnel to manage our operations and further develop our platform;
- effectively managing rapid growth in our operations, including personnel; and
- successfully implementing and executing our business strategies.

Additionally, because we operate in a rapidly evolving market, any predictions about our future revenue and expenses may not be as accurate as they would be if we operated in a more established and predictable market. We have encountered in the past, and will encounter in the future, risks, challenges, and uncertainties frequently experienced by companies operating in emerging markets. If our assumptions regarding any of these risks, challenges, or uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address them successfully, our results of operations could differ materially from our expectations and our business, financial condition, and results of operations could be adversely affected.

Our results of operations may fluctuate significantly from period to period due to a wide range of factors, which makes our future results difficult to predict.

Our results of operations have historically varied from period to period, and we expect that our results of operations will continue to vary significantly from quarter to quarter and year to year because of a variety of factors, many of which are outside of our control. As a result, comparing our results of operations on a period-to-period basis may not be meaningful. Factors that may contribute to the variability of our quarterly and annual results include, but are not limited to:

- our ability to attract and retain learners, instructors, and enterprises that use our platform in a cost-effective manner;
- our ability to accurately forecast revenue and operating expenses;
- the effects of increased competition on our business;
- our ability to successfully expand in existing markets and successfully enter new markets;
- changes in learner or customer behavior with respect to online learning solutions;
- increases in marketing, sales, and other operating expenses that we may incur to grow and acquire new learners, instructors, and customers;
- the revenue mix between our consumer and UB offerings;
- the impact of worldwide economic conditions, including the resulting effect on consumer and business spending on online learning solutions;
- our ability to maintain an adequate rate of growth and effectively manage that growth;
- the effects of changes in search engine placement and prominence;
- our ability to keep pace with technology changes in our industry;
- the success of our sales and marketing efforts;
- our ability to protect, maintain, and enforce our intellectual property rights;
- costs associated with defending claims, including intellectual property infringement claims, and related judgments or settlements;
- changes in governmental or other regulations affecting our business;
- interruptions in service and any related impact on our business, reputation, or brand;
- the attraction and engagement of qualified employees and key personnel;
- our ability to choose and effectively manage third-party service providers;
- the effects of natural or man-made catastrophic events, including wars and other armed conflicts, such as Russia's invasion of Ukraine;
- the impact of a pandemic or an outbreak of disease or similar public health concern, such as the COVID-19 pandemic, or fear of such an event;
- potential volatility in our gross margins, including due to revenue mix shifts between our Enterprise and Consumer segments, changes in our pricing policies, increased use of subscriptions in our Consumer segment, and timing differences between recognition of revenue and related content costs for courses;
- the effectiveness of our internal controls over financial reporting;
- the impact of payment processor costs and procedures; and

- changes in our tax rates or exposure to additional tax liabilities.

The unpredictability of our results of operations could cause our results to vary from period to period or to fall below expected levels for a given period, which will adversely affect our business, financial condition, and results of operations.

Our rapid growth may not be sustainable and depends on our ability to attract new learners, instructors, and organizations and retain existing ones.

Our success depends, in part, on growing the number of learners and instructors engaging with our platform. We believe the increase in the number of instructors increases the quality and quantity of the content available on our platform, in turn making our platform more appealing and engaging to learners in both our Enterprise and Consumer segments. This increase in learners then attracts more instructors to our platform. This dynamic marketplace model takes time to build and may grow at a slower pace than we expect. In addition, although the number of individual and UB learners and instructors engaging with our platform has grown in recent years, there can be no assurance that this growth will continue at its current pace or at all. For example, the significant uncertainty around future developments and the impact of the COVID-19 pandemic contribute in turn to the uncertainty regarding the adoption and growth of remote, online and asynchronous learning and training compared to the traditional models of education and training, which may adversely affect demand for our platform. If we fail to grow or maintain the number of learners and instructors engaging with our platform, the value of our platform will diminish and our revenue will decline.

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 are dissatisfied with their experience on our platform, they may stop accessing our content and referring others to us. Likewise, if existing learners do not find our content appealing and engaging, whether because of a negative experience with, declining interest in or relevancy of the content, they may stop referring others to us. In turn, if instructors perceive that our platform lacks an adequate learner audience, instructors may be less willing to provide content for our platform, and the experience of learners could be further negatively impacted. The willingness or ability of instructors to provide content for our platform could also be negatively impacted by other factors, such as:

- complaints or negative publicity about us or our platform, even if factually incorrect or based on isolated incidents;
- changes to our terms and policies that our instructors find, or even perceive, to be unpopular or that are not clearly articulated to them; or
- our failure to enforce our policies fairly and transparently.

In addition, the costs associated with retaining learners and instructors are substantially lower than those associated with acquiring new learners and instructors. As a result, if we are unable to retain existing learners and instructors, even if such losses are offset by an increase in revenue resulting from new learners and instructors, it could have a material adverse effect on our results of operations. Consequently, if we are unable to retain existing learners and instructors and attract new learners and instructors who contribute and engage with our platform, our growth prospects would be harmed and our business, financial condition, and results of operations could be adversely affected.

Our platform relies on a limited number of instructors who create a significant portion of the most popular content on our platform, and the loss of these instructor relationships could adversely affect our business, financial condition, and results of operations.

As part of our instructor community, we strive to build meaningful connections with instructors, ranging from those that are well known and have created extensively to those that have just begun the process of creating courses. As of March 31, 2023, we had relationships with more than 70,000 instructors. Although we view the breadth and diverse expertise of our instructor base and the content they create as one of our competitive advantages, a significant portion of the most popular content on our platform, and as a result a significant portion of our revenue, is attributable to a limited number of our instructors. Moreover, because instructors may unpublish content or leave the Udemy platform altogether, subject to our right to continue offering such content to new learners on the consumer marketplace for 60 days afterwards and in our subscription offerings for 12 months afterwards, we may need to source replacement content by a different instructor on short notice. Although we do not believe the loss of any one of these instructors would materially impact our business, the loss of multiple existing instructors, as well as any failure to attract additional instructors, could negatively impact our business, financial condition and results of operations by adversely affecting our ability to provide high-quality, engaging, and relevant content for one or more subject matters and the pace at which we provide such content, which in turn could reduce the attractiveness of our platform to learners and customers.

If we fail to maintain and expand our relationships with UB customers, our ability to grow our business and revenue will suffer.

Revenue from our Enterprise segment represented 54% and 43% of total revenue during the three months ended March 31, 2023 and 2022, respectively. We believe that our future success depends, in part, on our ability to grow this offering, both by retaining and expanding our relationship with existing customers and attracting new customers. Many customers initially use our platform within specific groups or departments within their organizations, or for specific use cases. Our ability to grow our UB business depends, in part, on our ability to persuade these customers to expand their use of our platform to address additional use cases. Further, to continue to grow our business, it is important that our customers renew their subscriptions when existing contracts expire and that we expand our relationships with our existing customers. Customers have no obligation to renew their subscriptions, and they may decide not to renew their subscriptions with a similar contract period, at the same prices and terms, with the same or a greater number of users, or at all. We have had some customers elect not to renew their subscriptions with us in the past, and it is difficult to accurately predict whether we will have future success in retaining customers or expanding our relationships with them. We have experienced significant growth in the number of customers subscribing to our UB offerings, but we do not know whether we will continue to achieve similar growth, or achieve any growth at all, in the future. Our ability to retain UB customers and expand our deployments with them may decline or fluctuate as a result of a number of factors, including customers' satisfaction with our platform, the quality and timeliness of our customer success and customer support services, our prices, the prices and features of competing solutions, reductions in customers' spending levels, insufficient adoption of our platform by our customers' constituents, and new feature releases. If customers do not purchase additional subscriptions or renew their existing subscriptions, renew on less favorable terms, or fail to continue to expand their engagement with us, our revenue may decline or grow less quickly than anticipated, which would harm our business, financial condition, and results of operations.

We operate in a highly competitive market, and we may not be able to compete successfully against current and future competitors.

We operate in a highly competitive environment, as the market for online learning is relatively new, highly fragmented, and rapidly evolving, with limited barriers to entry. We compete for learners, enterprise customers, and instructors:

- *Learners:* We compete for learners based on our course catalog, instructors, and learning tools.
- *UB customers:* We compete for customers based on our up-to-date content, the breadth and depth of that content across the full range of core business functions, and advanced product features that optimize self-paced learning and enable organizations to effectively drive programmatic learning.
- *Instructors:* We compete for instructors based on our ability to promote monetization opportunities.

Our competition includes corporate training offerings, direct-to-consumer training offerings, specialized content training offerings, and free online resources used to gather and share knowledge and skills.

We expect our existing competitors and new entrants to the online learning market to continually evolve and improve their business models. If these or other market 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. Several new and existing companies in the online education industry provide or may provide offerings similar to what we offer on our platform, and, despite any exclusivity arrangements we have with our instructors, these companies may nonetheless pursue relationships with our instructors that may reduce, or stop altogether, the content our instructors produce for our platform. In addition, customers may choose to continue using or develop their own online learning or training solutions in-house rather than pay for our platform.

We believe that our ability to successfully compete depends on a range of factors, both within and beyond our control, including:

- the availability or development of alternative online learning platforms that are more compelling to learners, instructors, or organizations than ours;
- changes in pricing policies and terms offered by our competitors or by us;
- the ability to adapt to or compete with new technologies and changes in requirements of our learners, instructors, and UB customers;
- the ability to adapt to disruptive innovation that may significantly alter or transform the competitive landscape, such as natural language processing, artificial intelligence and machine learning;
- costs associated with acquiring and retaining learners, instructors, and UB customers;
- the ability of our current and future competitors to establish relationships with customers; and
- industry consolidation and the number and rate of new entrants.

Current and potential competitors (including any new entrants into the market) may enjoy substantial competitive advantages over us, such as greater name recognition, longer operating histories, market- or industry-specific knowledge, more successful marketing capabilities, and substantially greater financial, technical, and other resources than we have. Our current or new competitors may adopt certain aspects of our business model, which could reduce our ability to differentiate our services. Furthermore, online educational content is not typically marketed exclusively through any single channel and, accordingly, our competitors could aggregate a set of online learning courses similar to ours. Competition may intensify as our competitors raise additional capital or as new participants, including established companies, enter the markets in which we compete. Our ability to grow our business and achieve profitability could be impaired if we cannot compete successfully.

The market for online learning solutions is relatively new and may not grow as we expect, which may harm our business, financial condition, and results of operations.

Our future success will depend in part on the growth, if any, in the demand for online learning solutions. Although we believe the COVID-19 pandemic has accelerated the demand for online learning solutions from both individuals and businesses alike, we continue to monitor how current macroeconomic conditions, including inflation, adjustment to interest rates, general economic uncertainty, and the COVID-19 pandemic may shape the development of the online learning market and the adoption and growth of remote, online and asynchronous learning and training solutions such as ours. Consequently, it is difficult to predict demand for and continued use of our platform by learners, instructors, and UB customers, the rate at which existing learners and instructors 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. Furthermore, even if learners or UB customers want to adopt an online learning solution, it may take them a substantial amount of time to fully transition to this type of learning solution or they 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 assure you 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 learner and customer spending, reduced engagement from instructors, attrition by learners, instructors, and UB customers, and decreased revenue, any of which would adversely affect our business, financial condition, and results of operations.

Adherence to our values and our focus on long-term sustainability may negatively impact our short- or medium-term financial performance.

Our values motivate everything we do, and we accordingly intend to focus on the long-term sustainability of our business and platform. We may take actions that we believe will benefit our business and our ecosystem and, therefore, our stockholders over a period of time, even if those actions do not maximize short- or medium-term financial results. However, these longer-term benefits may not materialize within the timeframe we expect or at all. For example:

- we may choose to prohibit certain content from our platform that we believe is inconsistent with our values even though we could benefit financially from the sale of that content;
- we may choose to revise our policies in ways that we believe will be beneficial to our learners, instructors, and UB customers in the long term even though the changes are perceived unfavorably among our existing learners, instructors, and customers; or
- we may take actions, such as locating our servers in low-impact data centers, that reduce our environmental footprint even though these actions may be more costly than other alternatives.

We may need to change our pricing model for our platform's offerings, which in turn could adversely impact our results of operations.

We have in the past, and expect that we may in the future, need to change our pricing model or target contract length from time to time, which could impact our financial results. As the market for our learning platform develops, 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 UB 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 products, such as our recently launched consumer subscription model, or improve existing ones, we will need to develop pricing and contract models for these products that appeal to consumer learners over time, and we may not be successful in doing so. Pricing and contract length decisions may also impact the mix of adoption among our offerings and negatively impact our overall revenue. Competition may also require us to make substantial price concessions. Moreover, our pricing model and methodology has been, and may in the future become, subject to legal challenge under applicable federal or state laws, regulations, and guidelines relating to promotional pricing practices. Our results of operations may be adversely affected by any of the foregoing, and we may have increased difficulty achieving or maintaining profitability.

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

Our ability to broaden our base of both consumer learners and UB customers, and achieve broader market acceptance of our marketplace platform, will depend to a significant extent on the ability of our sales and marketing organizations to work together to drive our sales pipeline and cultivate customer relationships. Our marketing efforts include the use of search engine optimization, paid search, email marketing, and television.

We have invested in and plan to continue expanding our sales and marketing organizations, both domestically and internationally. Identifying, recruiting, and training sales personnel will require 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, or if our sales and marketing programs 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 organizations 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 effectively adapt and respond to rapidly changing technology, evolving industry standards, and changing customer needs or requirements, our platform may become less competitive.

The markets in which we compete are and will continue to be characterized by constant change and innovation. Our success is predicated on our ability to identify and anticipate the needs of learners, instructors, and UB customers and design a scalable learning experience platform that allows them to easily create and access high-quality, in-demand educational content. Our ability to attract new and retain existing learners, instructors and UB customers to our platform, and to deepen their relationships with our platform, depends in large part on our ability to continue improving and enhancing our offerings.

We may experience difficulties with software development that could delay or prevent the development, introduction or implementation of platform modifications and enhancements. Software development involves a significant amount of time for our technology team, as it can take developers months to update, code, and test new and upgraded features and integrate them into our platform. We must also continually update, test, and enhance our platform. The continual improvement and enhancement of our platform requires significant investment and we may not have the resources to continue making these investments. Further, there can be no assurance that the platform modifications and enhancements in which we invest will result in additional revenue sufficient to cover the cost of developing those modifications and enhancements, if any. If we are not able to improve and enhance our platform in an effective manner, our business, financial condition, and results of operations will be adversely affected.

If we are not able to maintain and enhance our brand, our reputation and business may suffer.

We believe that maintaining and enhancing our reputation and brand recognition is critical to our ability to attract and retain learners, instructors, UB customers, and partners, and that the importance of our reputation and brand recognition will continue to increase as competition in the markets in which we operate continues to develop. Our success in this arena will depend on a range of factors, both within and beyond our control. Factors affecting our reputation and brand recognition that are within our control include our ability to:

- market our platform effectively and efficiently;
- maintain a useful, innovative, and reliable platform;
- maintain a high satisfaction among learners, instructors, and UB customers;
- provide a high quality and perceived value for our platform;
- successfully differentiate our platform from competing offerings;
- maintain a consistently high level of customer service; and
- prevent any actual or perceived data security breach or incident or data loss, or misuse or perceived misuse of our platform.

Additionally, our reputation and brand recognition may be affected by factors that are beyond our control, such as:

- the actions of competitors or other third parties;
- the quality and quantity of, as well as the nature and subject matter of, content available from instructors on our platform;
- positive or negative publicity, including with respect to events or activities attributed to us, our employees, instructors, or our commercial partners;
- interruptions, delays, or attacks on our platform; and
- litigation or legal developments.

Damage to our reputation and brand, from the factors listed above or otherwise, may reduce demand for our platform and have an adverse effect on our business, operating results and financial condition. Moreover, any attempts to rehabilitate our reputation and brand recognition may be costly and time-consuming, and there can be no assurance that any such efforts will ultimately be successful.

We could face liability, or our reputation might be harmed, as a result of courses posted to our platform.

Instructors at times post courses and related materials to our platform that contain content owned by third parties, and we do not proactively review content for potential infringement of intellectual property rights. Although we maintain and enforce terms and policies requiring instructors to respect the intellectual property rights of others, 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 are subject to potential liability to third parties for the unauthorized duplication, distribution, or other use of this material. In addition, third parties have alleged, and in the future may allege, misappropriation, plagiarism, defamation, disparagement or similar claims related to content appearing on our platform. Any such claims could subject us to costly litigation and impose measurable burdens on us, regardless of whether the claims have merit. Moreover, there can be no assurance that measures taken under our terms and policies in response to complaints by third-party content owners regarding intellectual property violations will be sufficient to protect us from adverse claims. 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 uses of such material, which may include removing course content or altering the functionality of our platform, or be required to pay monetary damages.

Where applicable, we rely on a variety of statutory and common law frameworks and defenses, including those provided by the Digital Millennium Copyright Act of 1998, the Communications Decency Act (the "CDA"), the fair-use doctrine in the United States and the E-Commerce Directive in the European Union (the "E.U."), variation in the availability, scope, and application of such frameworks, defenses, and statutes across the many jurisdictions we operate, and the applicable limitations on immunity, requirements to maintain immunity, and moderation efforts required 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 content posted to our platform. Moreover, regulators in the United States and in other countries in which we operate may introduce new regulatory regimes or modify existing regulatory regimes, including in ways that increase potential liability for information or content available on or through our platform or the content moderation decisions we make with respect to our platform, or which impose additional obligations to monitor such information or content, which could increase our costs. For example, in recent years, there have been various efforts calling for reforms to Section 230 of the CDA, ranging from a complete repeal of the statute to modifications of it in such a way as to remove certain social media companies from its protection, and certain U.S. states have either passed or are debating laws that would create potential liability for moderating or removing certain user content.

Failure of our resellers or other commercial partners to use acceptable ethical business practices or comply with applicable laws could negatively impact our business.

In certain jurisdictions, such as Japan, we rely on third-party resellers and other commercial partners to distribute and market our offerings. We expect these resellers and partners to operate in compliance with applicable laws, rules, and regulations, but we cannot control their conduct. If any of our resellers or partners violates applicable laws or implements business practices that are regarded as unethical, the distribution of our platform in those jurisdictions could be interrupted, usage of our platform could decline, our reputation could be damaged and we may be subject to liability. Any of these events could have a negative impact on our business, financial condition, and results of operations.

Our revenue, results of operations, and financial condition could be negatively affected by general economic conditions.

Our business is sensitive to trends in the general economy, which is unpredictable. Therefore, our operating results, to the extent they reflect changes in the broader economy, may be subject to significant fluctuations. Since online learning is generally dependent on discretionary spending, negative general economic conditions or uncertainty regarding future economic conditions, including as a result of the COVID-19 pandemic, inflation, and instability in the banking or financial services industries or in financial and capital markets, could significantly reduce the overall amount that learners and organizations spend on, and the frequency of, online learning or result in delays to planned spending on online learning. Any or all of these factors could reduce the demand for our services, reducing our revenue and potentially increasing our need to make significant expenditures to continue to attract learners and UB customers to our platform. Additionally, adverse developments affecting the banking or financial services industries or the financial and capital markets, such as actual events or concerns involving liquidity, defaults or non-performance by financial institutions or transactional counterparties, could negatively affect our revenue, results of operations and financial condition.

Our business and operations could be materially and adversely affected by natural disasters, public health crises, political crises, or other catastrophic events.

Our business and operations could be materially and adversely affected in the event of natural or physical climate change like earthquakes, floods, fires, telecommunications failures, blackouts, or other power losses, break-ins, acts of terrorism, wars and other armed conflicts, political or geopolitical crises, inclement weather, public health crises, pandemics or endemics, or other catastrophic events. In particular, our corporate headquarters are located in San Francisco, California, an earthquake-sensitive area and one that has been increasingly vulnerable to wildfires, and damage to or total destruction of our executive offices resulting from earthquakes may not be covered in whole or in part by any insurance we may have. If floods, fire, inclement weather including extreme rain, wind, heat, or cold, or accidents due to human error were to occur and cause damage to our properties, or if our operations were interrupted by telecommunications failures, blackouts, acts of terrorism, wars and other armed conflicts, political or geopolitical crises, or public health crises, our results of operations would suffer, especially if such events were to occur during peak periods. Physical climate change may result in natural disasters occurring more frequently or with greater intensity, such as drought, wildfires, storms, sea-level rise, and flooding. 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.

Our business could be harmed if we fail to manage our growth effectively.

The rapid growth we have experienced, and may continue to experience, in our business places significant demands on our operational infrastructure. The scalability and flexibility of our platform depends on the functionality of our technology and network infrastructure and our ability to handle increased traffic and demand for bandwidth. The growth in the number of learners and instructors using our platform and the amount of educational content available through our platform has increased the amount of data and requests that we process. Any problems with the transmission of increased data and requests could result in harm to our brand or reputation. Moreover, as our business grows, we will need to devote additional resources to improving our operational infrastructure and continuing to enhance our scalability in order to maintain the performance of our platform.

Our growth has placed, and will likely continue to place, a significant strain on our managerial, administrative, operational, financial, and other resources. In February 2023, we announced a reduction in force involving approximately 10% of our global workforce as part of our efforts to decrease our costs during the current macroeconomic environment and create a more streamlined organization to support our business. Future growth in our organization could place additional strain on our existing resources, and we could experience systemic operating difficulties in managing our business, which may negatively impact our gross profit or operating expenses.

Our future success depends on our ability to retain our senior management team and other highly skilled employees and to attract, retain, and motivate our qualified personnel.

We depend on the continued services and performance of our senior management team, key technical employees, and other key personnel. Although we have entered into employment agreements with senior management team members, each of them may terminate their employment with us at any time or not be able to perform the services we require in the future. We do not maintain “key person” insurance for any of our executives or other employees. Similarly, third parties may attempt to encourage our senior management team or other key employees to leave for other employment. The loss of one or more of the members of our senior management team or other key personnel for any reason could disrupt our operations, create uncertainty among investors, adversely impact employee retention and morale and significantly harm our business.

To execute our growth plan, we must hire many employees over the next few years. In addition, we must retain our highly qualified employees. Competition for highly qualified employees is intense, particularly from other high-growth technology companies and in the San Francisco, California labor market, where our corporate headquarters are located.

From time to time we have experienced, and may continue to experience, difficulty in hiring and retaining employees with the appropriate level of qualifications. The companies with which we compete for qualified employees may have greater resources than we have and may offer compensation packages that are perceived to be better than ours. Additionally, changes in our compensation structure, workforce reductions (including the reduction in force we announced in February 2023), or any previously implemented reductions in workforce and other cost reduction efforts may be negatively received by employees and result in attrition or cause difficulty in the recruiting process. If we fail to attract new employees or fail to retain and motivate our current employees, our business and future growth prospects could be adversely affected.

Acquisitions and other strategic investments may expose us to significant risks, any of which could materially and adversely affect our business, financial condition, and results of operations.

We have in the past pursued, and may in the future pursue, acquisitions of, or strategic investments in, businesses, technologies, services and other assets that complement our business. For example, in August 2021, we announced our acquisition of CUX, Inc. (d/b/a CorpU) (“CorpU”), an online leadership development platform. We have limited experience as an organization with successfully executing and managing acquisitions and strategic investments. These kinds of transactions involve numerous risks, including the following:

- difficulties in realizing the anticipated economic, operational and other benefits of the acquisition or strategic investment successfully or in a timely manner;
- failure of businesses we acquire or invest in to achieve anticipated revenue, earnings, or cash flow;
- diversion of management’s attention or other resources from our existing business;
- any inability to maintain the key customers, business relationships, suppliers, and brand potential of businesses we acquire or invest in;
- uncertainty of entry into businesses or geographies in which we have limited or no prior experience or in which competitors have stronger positions;
- unanticipated or greater costs than expected associated with pursuing acquisitions or investments;
- difficulties in, or costs associated with, any integration process, such as challenges associated with assigning or transferring acquired intellectual property or intellectual property licenses; integrating and auditing financial statements of acquired companies that have not historically prepared financial statements in accordance with generally accepted accounting principles in the United States (“GAAP”);

and integrating the workforce of acquired companies and the potential loss of key employees of the acquired companies;

- responsibility for the liabilities of acquired businesses, including those that were not disclosed to us or exceed our estimates, such as liabilities arising out of the failure to maintain effective privacy, data protection and cybersecurity controls, and liabilities arising out of the failure to comply with applicable laws and regulations, including tax laws;
- inability to maintain our culture and values, ethical standards, controls, procedures, and policies; and
- asset write-offs and impairments of goodwill and intangible assets in connection with any acquisition or strategic investment, as well as any inability to accurately forecast such impacts.

We may not succeed in addressing these or other risks in connection with any acquisitions or strategic investments we undertake, which could have a material adverse effect on our business, financial condition, and results of operations. Furthermore, we may have to pay cash, incur debt or issue equity or equity-linked securities to finance any acquisitions or investments, which could also adversely affect our financial condition or the trading price of our securities, and the sale of equity or equity-linked securities could result in dilution to our stockholders.

We may need to raise additional funds to pursue our growth strategy or continue operations, and we may be unable to raise capital when needed or on acceptable terms.

From time to time, we may seek additional equity or debt financing to fund our growth, enhance our platform, respond to competitive pressures, or make acquisitions or other investments. Our business plans may change, general economic, financial or political conditions in our markets may deteriorate or other circumstances may arise, in each case that have a material adverse effect on our cash flows and the anticipated cash needs of our business. Any of these events or circumstances could result in significant additional funding needs, requiring us to raise additional capital. We cannot predict the timing or amount of any such capital requirements at this time. If financing is not available on satisfactory terms, or at all, we may be unable to expand its business at the rate desired and our results of operations may suffer.

We operate internationally and we plan to continue expanding our international operations, which exposes us to risks inherent in international operations.

Managing a global organization requires significant resources and management attention. We currently maintain operations outside of the United States in Ireland, Turkey, Australia, and India, and we plan to expand our international operations in the future.

We generated 59% and 60% of revenue outside of North America during the three months ended March 31, 2023 and 2022, respectively, and based on our instructor registration records, we estimate that a majority of our instructors are located outside the United States. Any further international expansion efforts that we may undertake may not be as successful as we expect or at all.

Additionally, conducting international operations subjects us to risks that we have not generally faced in the United States. These risks include:

- the cost and resources required to localize our services, which requires the translation of our websites into foreign languages and adaptation for local practices and regulatory requirements;
- competition with local market participants who understand the local market better than we do or who have pre-existing relationships with our potential learners and UB customers in those markets;
- greater reliance on third-party resellers and other commercial partners for the distribution and marketing of our offerings;
- legal uncertainty regarding our liability for the content and services provided by our instructors, including as a result of local laws or a lack of clear precedent of applicable law;
- the burdens of complying with a wide variety of foreign laws and legal standards;
- lack of familiarity with and unexpected changes in foreign regulatory requirements;
- adapting to variations in methods of payment from learners and UB customers;

- difficulties in managing and staffing international operations;
- fluctuations in currency exchange rates;
- potentially adverse tax consequences, including the complexities of foreign value added tax systems, digital services tax and restrictions on the repatriation of earnings;
- increased financial accounting and reporting burdens and complexities and difficulties in implementing and maintaining adequate internal controls;
- political, social, and economic instability abroad, wars and other armed conflicts, terrorist attacks, and security concerns in general, including Russia's invasion of Ukraine;
- reduced or varied protection for intellectual property rights in some countries; and
- higher telecommunications and internet service provider costs.

Operating in international markets also requires significant management attention and financial resources. The investment and additional resources required to establish operations and manage growth in other countries may not produce desired levels of revenue or profitability.

Our strategic and other relationships with partners overseas may also subject us to additional regulatory scrutiny in the United States and other jurisdictions. Operating in international markets could also increase our business exposure to the effects of trade and economic sanctions regulations. See “—We are subject to governmental export and import controls and regulations that could impair our ability to compete in international markets and subject us to liability if we are not in full compliance with applicable laws.”

Further, as we continue to expand internationally, we could also become subject to increased difficulties in collecting accounts receivable (including as a result of international sanctions or other trade restrictions affecting the geographies in which we or our learners or customers are present), repatriating money without adverse tax consequences, and risks relating to foreign currency exchange rate fluctuations. We have not engaged in currency hedging activities to limit risk of exchange rate fluctuations, and while we may decide to do so in the future, the availability and effectiveness of these hedging transactions may be limited. Changes in exchange rates affect our costs and earnings, and may also affect the book value of our assets located outside the United States and the amount of our stockholders' equity.

We are subject to laws and regulations worldwide, and failure to comply with such laws and regulations could subject us to claims or otherwise adversely affect our business, financial condition and results of operations.

We are subject to a variety of laws in the U.S. and abroad that affect our business. As a global platform with learners and instructors in over 180 countries, we are subject to a wide range of laws and regulations regarding consumer protection, advertising, electronic marketing, privacy, data protection and cybersecurity, data localization requirements, online services, freedom of speech, labor, real estate, taxation, intellectual property ownership and infringement, export and national security, tariffs, anti-corruption and telecommunications, all of which are continuously evolving and developing.

The scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting, particularly laws outside the U.S., and compliance with laws, regulations and similar requirements may be burdensome and expensive. Because these laws and regulations are subject to change over time, we must continue to dedicate resources to monitoring developments in the law and ensuring compliance. Laws and regulations may be inconsistent from jurisdiction to jurisdiction, and certain jurisdictions may impose more stringent regulatory requirements than the U.S., which may increase the cost of compliance and doing business and expose us to possible litigation, penalties, or fines. Any such costs, which may rise in the future as a result of changes in these laws and regulations or in their interpretation, could make our platform less attractive to learners, instructors, or enterprise customers or cause us to change or limit our ability to make available our platform. We have policies and procedures designed to ensure compliance with applicable laws and regulations, but we cannot assure you that we will not experience violations of such laws and regulations or our policies and procedures. Any such violations could subject us to investigations, sanctions, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties, or injunctions. If any governmental sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, operating results, and financial condition could be materially adversely affected. In addition, responding to any action will likely result in a significant diversion of management's attention and resources and an increase in professional fees. Enforcement actions and sanctions could harm our business, operating results, and financial condition.

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

Our business activities are subject to various restrictions under U.S. export and similar laws and regulations, including trade and economic sanctions regulations. The U.S. export control and economic sanctions laws and regulations include restrictions or prohibitions on the sale of certain services to U.S. embargoed or sanctioned countries, governments, persons, and entities which in some cases might apply to our activities. 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 access to our platform or could limit our learners' 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. Complying with these laws and regulations could be particularly difficult because our products are widely available worldwide, in some cases, by providing only minimal information at registration. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to civil or criminal penalties. We also may 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 future changes in export and import regulations, may prevent our international learners or instructors from using 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.

Failure to comply with anti-bribery, anti-corruption, and anti-money laundering laws, and similar laws, could subject us to penalties and other adverse consequences.

We are subject to the anti-bribery and anti-money laundering laws in the U.S. and other applicable jurisdictions. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, their employees, agents, representatives, business partners, and third-party intermediaries from authorizing, offering, or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector.

We sometimes engage third parties to sell our products and conduct our business abroad. We and our employees, agents, representatives, business partners, or third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and may be held liable for the corrupt or other illegal activities of these employees, agents, representatives, business partners, or third-party intermediaries even if we do not explicitly authorize such activities. We cannot assure you that none of our employees and agents will take actions in violation of applicable law, for which we may be ultimately held responsible. As we increase our international sales and business, our risks under these laws may increase.

These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. While we have policies and procedures to address compliance with such laws, we cannot assure you that none of our employees, agents, representatives, business partners, or third-party intermediaries will take actions in violation of our policies and applicable law, for which we may be ultimately held responsible.

Any allegations or violations of applicable anti-bribery and anti-corruption laws and anti-money laundering laws could result in whistleblower complaints, sanctions, settlements, prosecution, enforcement actions, fines, damages, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions, or suspension or debarment from U.S. government contracts, all of which may have an adverse effect on our reputation, business, financial condition, results of operations, and prospects. Responding to any investigation or action will likely result in a materially significant diversion of management's attention and resources and significant defense costs and other professional fees.

We are from time to time involved in claims, lawsuits, government investigations, and other proceedings that could adversely affect our business, financial condition, and results of operations.

We are involved in litigation matters from time to time, such as matters incidental to the ordinary course of our business, including intellectual property, commercial, employment, class action, whistleblower, accessibility, and other litigation and claims, and governmental and other regulatory investigations and proceedings. 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, the expense of litigation 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.

Increased scrutiny and changing expectations from regulators, investors, customers, employees, and others regarding our environmental, social and governance practices and reporting could cause us to incur additional costs, devote additional resources and expose us to additional risks, which could adversely impact our reputation, customer acquisition and retention, access to capital and employee retention.

Companies across all industries are facing increasing scrutiny related to their environmental, social and governance, or ESG, practices and reporting. Regulators, investors, customers, employees and other stakeholders have focused increasingly on ESG practices and placed increasing importance on the implications and social cost of their investments, purchases and other interactions with companies. If our ESG practices and reporting do not meet investor, customer, or employee expectations, which continue to evolve, our brand, reputation, and learner, instructor, and UB customer retention may be negatively impacted. We could also incur additional costs and devote additional resources to monitor, report and implement various ESG practices, including as a result of regulatory developments.

Inadequate self-insurance accruals or insurance coverage for employee healthcare benefits could have an adverse effect on our business, financial results or financial condition.

Beginning in 2023, we became self-insured for certain medical benefits, up to certain stop-loss limits. We accrue these costs based on known claims and estimates of incurred but not reported claims. Our actual liabilities may exceed our estimates of losses. We may also experience an unexpectedly large number of claims that result in costs or liabilities in excess of our projections, which could cause us to record additional expenses.

Risks related to technology, privacy, and cybersecurity

Changes in laws or regulations relating to privacy, data protection, or cybersecurity, including those relating to the protection or transfer of data relating to individuals, or any actual or perceived failure by us to comply with such laws and regulations or any other obligations could adversely affect our business.

We receive, transmit, and store personal information and other data relating to our learners, instructors, and other individuals, such as our employees. Numerous local, municipal, state, federal, and international laws and regulations address privacy, data protection, cybersecurity, and the collection, storing, sharing, use, disclosure, and protection of certain types of data, including the California Online Privacy Protection Act, the Personal Information Protection and Electronic Documents Act, the Controlling the Assault of Non-Solicited Pornography and Marketing Act, Canada's Anti-Spam Legislation, the E.U. General Data Protection Regulation (the "GDPR"), the Telephone Consumer Protection Act (restricting telemarketing and the use of automated SMS text messaging), Section 5 of the Federal Trade Commission Act, and the California Consumer Privacy Act (the "CCPA"). These laws, rules, and regulations evolve frequently and their scope may continually change, through new legislation, amendments to existing legislation, and changes in enforcement, and may be inconsistent from one jurisdiction to another.

For example, the GDPR has resulted and will continue to result in significantly greater compliance burdens and costs for companies like ours. The GDPR regulates our collection, control, processing, sharing, disclosure, and other use of data that can directly or indirectly identify a living individual that is a resident of the E.U. and imposes stringent data protection requirements with significant penalties and the risk of civil litigation, for noncompliance. Failure to comply with the GDPR may result in fines of up to 20 million euros or up to 4% of the annual global revenue of the infringer, whichever is greater. It may also lead to civil litigation, with the risks of damages, injunctive relief, or regulatory orders adversely impacting the ways in which our business can use personal data.

In January 2021, the United Kingdom transposed the GDPR into domestic law with a United Kingdom version of the GDPR (combining the GDPR and the United Kingdom Data Protection Act of 2018), referred to as the U.K. GDPR, which provides for fines of up to 17.5 million British pounds sterling or 4% of global turnover, whichever is greater. The relationship between the United Kingdom and the E.U. in relation to certain aspects of data protection law is subject to uncertainty. On June 28, 2021, the European Commission announced a decision of “adequacy” concluding that the United Kingdom ensures an equivalent level of data protection to the GDPR, generally permits personal data flows from the European Economic Area (the “EEA”) to the United Kingdom. This adequacy determination must, however, be renewed after four years and may be modified or revoked in the interim. We cannot fully predict how United Kingdom data protection laws or regulations may develop nor the effects of divergent laws and guidance, including those relating to data transfers. Changes with respect to any of these matters may lead to additional costs and increase our risk exposure.

Additionally, we are or may become subject to laws, rules, and regulations regarding cross-border transfers of personal data, including those relating to transfer of personal data outside the EEA. Recent legal developments have created complexity and uncertainty regarding transfers of personal data from the EEA to the U.S. and other jurisdictions. For example, in 2020, the Court of Justice of the European Union (the “CJEU”) invalidated the E.U.-U.S. Privacy Shield Framework (the “Privacy Shield”), under which personal data could be transferred from the EEA to participating U.S. entities. The CJEU also noted that standard contractual clauses (approved by the European Commission as an adequate personal data transfer mechanism) may not necessarily be relied upon in all circumstances. In addition to other mechanisms, in limited circumstances we may rely on Privacy Shield certifications of third parties (for example, vendors and partners). The European Commission and the United Kingdom’s Information Commissioner’s Office have published new standard contractual clauses that are required to be implemented. These developments regarding cross-border data transfers have created uncertainty and increased the risk around our international operations and may require us to review and amend the legal mechanisms by which we make or receive personal data transfers to the U.S. and other jurisdictions. We may, among other things, be required to implement additional contractual and technical safeguards for any personal data transferred out of the EEA, Switzerland, the United Kingdom or other regions which may increase compliance costs, lead to increased regulatory scrutiny or liability, may require additional contractual negotiations, and may adversely impact our business, financial condition and operating results.

The CCPA, which went into effect on January 1, 2020, among other things, requires covered companies to provide specified disclosures to California consumers and affords such consumers the ability to opt out of certain types of data sharing and sales. The CCPA also prohibits covered businesses from discriminating against consumers (for example, by charging more) for exercising their rights. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. Additionally, in November 2020, California voters passed the California Privacy Rights and Enforcement Act of 2020 (the “CPRA”). As of January 1, 2023, the CPRA further expanded the CCPA with additional data privacy compliance requirements that may impact our business and establishes a regulatory agency dedicated to enforcing the law. Aspects of the interpretation and enforcement of the CCPA and CPRA remain uncertain. The enactment of the CCPA has prompted similar legislative developments in other states in the U.S., creating the potential for a patchwork of overlapping but different state laws and for a trend of increasingly stringent privacy legislation in the U.S., which could increase our potential liability and adversely affect our business, financial condition, and results of operations. For example, Virginia, Colorado, Utah, Connecticut, and Iowa have enacted such laws. In addition, the Personal Information Protection Law, or PIPL, went into effect in the People’s Republic of China (the “PRC”) on November 1, 2021. The PIPL shares similarities with the GDPR, including extraterritorial application, data minimization, data localization, and purpose limitation requirements, and obligations to provide certain notices and rights to PRC citizens. The PIPL allows for fines of up to 50 million renminbi or 5% of a covered company’s revenue in the prior year. The effects of these statutes and other similar federal, state, or foreign laws that may be proposed or enacted are significant and may require us to modify our data processing practices and policies and incur substantial compliance-related costs and expenses. Additionally, many laws and regulations relating to privacy and the collection, storing, sharing, use, disclosure, and protection of certain types of data are subject to varying degrees of enforcement and new and changing interpretations by courts. These other laws or regulations relating to privacy, data protection, and cybersecurity, particularly any new or modified laws or regulations, or changes to the interpretation or enforcement of laws or regulations, that require enhanced protection of certain types of data or new obligations with regard to data retention, transfer, or disclosure, could greatly increase the cost of providing our platform, require significant changes to our operations, or prevent us from providing our platform in jurisdictions in which we currently operate and in which we may operate in the future.

Additionally, we have incurred, and may continue to incur, significant expenses in an effort to comply with privacy, data protection, and cybersecurity standards and protocols imposed by law, regulation, industry standards, or contractual obligations. We may be subject to investigation or enforcement actions by regulators if our statements or policies relating to privacy, data protection, or cybersecurity are alleged to be deficient, lacking transparency, deceptive, unfair, or misrepresentative of our practices. We are also bound by contractual obligations related to privacy, data protection, and cybersecurity. Our efforts to comply with such obligations may not be successful or may have other negative consequences. With laws, regulations, and other actual and asserted obligations relating to privacy, data protection, and cybersecurity imposing new and relatively burdensome obligations and with uncertainty over their interpretation and application, we may face challenges in addressing their requirements and making necessary changes to our policies and practices and may incur significant costs and expenses in an effort to do so. Despite our efforts to comply with applicable laws, regulations, and other obligations relating to privacy, data protection and cybersecurity, it is possible that our interpretations of the law, practices, policies, or platform or other services or offerings could be inconsistent with, or fail or be alleged to fail to meet all requirements of, such laws, regulations, or obligations. Any actual or perceived failure, or consequences associated with our efforts to comply with applicable laws or regulations or any other obligations relating to privacy, data protection, or cybersecurity, or any compromise of security that results in unauthorized access to, or use or release of data relating to learners, instructors, or other individuals could damage our reputation, discourage new and existing learners, instructors, and UB customers from using our platform, and could result in investigations, or other proceedings by governmental agencies, private claims and litigation, and fines, penalties, and other liabilities, any of which could adversely affect our business, financial condition and operating results. Even if not subject to legal challenge, the perception of concerns relating to privacy, data protection, or cybersecurity, whether or not valid, may harm our reputation and brand adversely affect our business, financial condition, and operating results.

A cybersecurity attack or other security breach or incident could delay or interrupt service to our learners, instructors, and UB customers, harm our reputation or subject us to significant liability.

Our platform involves the processing of significant amounts of data relating to learners, instructors, and UB customers interacting with our platform, including personal data and personal information. Additionally, we collect and store certain sensitive and proprietary information, and personal data and personal information, in the operation of our business, including trade secrets, intellectual property, employee data, and other confidential data.

We engage third-party service providers to store and otherwise process certain data, including sensitive and personal information. Our service providers have been, and in the future may be, the targets of cyberattacks, malicious software, phishing schemes, fraud, and other risks to the confidentiality, security, and integrity of their systems and the data they process for us. Our ability to monitor our service providers' cybersecurity is limited, and, third parties may be able to circumvent those security measures, resulting in the unauthorized access to, misuse, disclosure, loss, unavailability, destruction or other processing of data they process for us, including sensitive and personal information. There have been and may continue to be significant supply chain attacks, and we cannot guarantee that our or our third-party providers' systems and networks have not been breached or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our systems and networks or the systems and networks of third parties that support us and our services.

While we have taken measures to protect our own proprietary and confidential information, as well as the personal information, personal data, and confidential information that we otherwise process, and measures to protect our platform, we, our third-party service providers, and the networks and systems used in our business, including those of third-party service providers, have been subject to, and we, our service providers and our platform may in the future may be subject to, cybersecurity attacks or other security breaches or incidents. Cybersecurity attacks may take the form of denial of service attacks, attacks using ransomware or other malware, or other attacks, and can come from individual hackers, criminal groups, and state-sponsored organizations. These sources can also implement social engineering techniques to induce our employees, contractors, or customers to disclose passwords or other sensitive information or take other actions to gain access to data, and we and our platform otherwise may be subject to security breaches and incidents resulting from employee or contractor error or malfeasance. We may be more susceptible to cyberattacks and other security breaches and other security incidents while many of our employees work remotely, because we have less ability to implement, monitor, and enforce our information security and data protection policies.

More generally, we cannot guarantee that applicable recovery systems, security protocols, network protection mechanisms, and other procedures of ourselves or our third-party service providers are or will be adequate to prevent network and service interruption, system failure or loss, corruption, or unauthorized access to, or disclosure, acquisition, unavailability, destruction, or other processing of, data, including personal data, personal information, and other sensitive information that we or they process or maintain. Moreover, our platform could be breached or disrupted if vulnerabilities in our platform are exploited by unauthorized third parties. Techniques used to obtain unauthorized access change frequently and the volumes of cybersecurity attacks and of security breaches and incidents generally are increasing. We and our third-party service providers may be unable to implement adequate preventative measures or stop any attacks while they are occurring. A cybersecurity attack or security breach or incident could delay or interrupt service to our learners, instructors, or organizations and may deter learners, instructors, or organizations from using our platform, and we and our service providers may face difficulties or delays in identifying, remediating, and otherwise responding to any cybersecurity attack or other security breach or incident. In addition, any actual or perceived cybersecurity attack or security breach or incident could damage our reputation and brand, expose us to a risk of claims, litigation, regulatory investigations or other proceedings and possible fines, penalties, or other liability and require us to expend significant capital and other resources to alleviate problems caused by the cybersecurity attack or security breach or incident. We incur significant costs in an effort to detect and prevent security breaches and other security-related incidents, and we expect our costs will increase as we make improvements to our systems and processes to prevent future breaches and incidents. Some jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data. Any disclosures relating to an actual or perceived cyberattack or other security breach or incident suffered by us or any of our third-party service providers could lead to negative publicity and any such disclosures, or any belief that a cybersecurity attack, or a security breach or incident, has impacted us, our platform, or our service providers may cause our learners, instructors, or UB customers to lose confidence in the security of our platform and the effectiveness of the cybersecurity measures we and our service providers utilize.

Further, any limitations of liability provisions in our customer and user agreements, contracts with third-party service providers, or other contracts may not be enforceable or adequate or otherwise protect us from any liabilities or damages with respect to any particular claim relating to a security breach or incident or other security-related matter. While our insurance policies include liability coverage for certain of these matters, subject to applicable deductibles, any cybersecurity attack or other security breach or other incident, could subject us to claims or damages that exceed our insurance coverage. Our insurance coverage might not be adequate for liabilities actually incurred relating to any security breach or incident, such insurance may not continue to be available to us in the future on economically reasonable terms, or at all, and insurers may deny us 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 co-insurance requirements, could have a material adverse effect on our business, including our financial condition, operating results, and reputation.

Interruptions or performance problems associated with our technology and infrastructure could adversely affect our business and results of operations.

Our continued growth partially depends on the ability of learners and instructors to access our platform at any time. Our platform has encountered, and may in the future encounter, disruptions, outages, and other performance problems due to a variety of factors, including infrastructure changes, introductions of new capabilities, human or technology errors, distributed denial of service attacks, or other security related incidents. In some instances, we may not be able to identify the cause or causes of these performance problems in a timely manner. It may become increasingly difficult to maintain and improve the performance of our platform as it grows and becomes more complex, and in the future we may be required to allocate significant resources to augment and update our technology and network infrastructure. If learners or instructors are unable to access our platform within a reasonable amount of time, or at all, our business will be harmed.

Applicable regulations that permit ISPs to limit internet consumption could harm our business.

The current legislative and regulatory landscape regarding the regulation of the Internet and, in particular, Internet neutrality, in the United States is subject to uncertainty. In 2018, the Federal Communications Commission (the “FCC”) repealed its open internet rules, which prohibited internet service providers from charging content providers higher rates in order to deliver their content over certain “fast traffic” lanes. In response, California and several other U.S. states have implemented their own open internet or net neutrality rules, and in 2021, President Biden signed an Executive Order on Promoting Competition in the American Economy, which directed the FCC to reinstate through appropriate rulemaking net neutrality rules. The FCC has not yet moved to implement this executive order. We cannot predict the outcome of any litigation or whether the FCC order or state initiatives regulating providers will be modified, overturned, or vacated by legal action, federal legislation, or the degree to which this repeal would adversely affect our business, if at all. Similarly, the EU requires equal access to internet content, but as part of its Digital Single Market initiative, the EU may impose network security and disability access requirements, which could increase our costs. Outside these jurisdictions, government regulation of the internet, including the idea of network neutrality, may be developing or non-existent. It is possible that governments of one or more foreign countries may seek to censor content available on our platform or may even attempt to block access to our platform. If we are restricted from operating in one or more countries, our ability to attract and retain learners, instructors, and customers may be adversely affected and we may not be able to grow our business as we anticipate.

We rely on Amazon Web Services for a substantial portion of our platform services. Any disruption of, or interference with, our use of Amazon Web Services could negatively impact our business and operations.

Amazon Web Services provides distributed computing infrastructure platforms for business operations, commonly referred to as “cloud” computing services. We currently run a significant portion of our platform’s computing on Amazon Web Services, and any significant disruption of, or interference with, our use of Amazon Web Services would negatively impact our operations and our business would be seriously harmed. If learners or instructors are unable to access our platform through Amazon Web Services or encounter difficulties in doing so, we may lose learners, instructors, and UB customers. The level of service provided by Amazon Web Services may also impact the adoption and perception of our platform. If Amazon Web Services experiences interruptions in service regularly or for a prolonged basis, or other similar issues, our business would be seriously harmed. Hosting costs will also increase if and as our base of learners, instructors, and UB customers grows, and our business, financial condition, and results of operations may be adversely affected if we are unable to grow our revenue faster than the cost of using Amazon Web Services or similar providers increases.

Amazon Web Services may take actions beyond our control that could seriously harm our business, including discontinuing or limiting access to Amazon Web Services, increasing pricing terms, terminating our contract, establishing more favorable relationships or pricing terms with one or more of our competitors, and modifying or interpreting its terms of service or other policies in a manner that impacts our ability to administer our business and operations.

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

We rely on third-party payment processors to process payments made by learners and customers, and to instructors, on our platform. We have engaged third-party service providers to perform underlying card processing, currency exchange, identity verification, and fraud analysis services. If these service providers do not perform adequately or if our relationships with these service providers end for any reason, we will need to find an alternate payment processor and may not be able to secure similar terms or replace such payment processors in an acceptable time frame. Further, the software and services provided by our third-party payment processors may not meet our expectations, contain errors or vulnerabilities, be compromised, or experience outages. Any of these risks could cause us to lose our ability to accept online payments, make payments to our instructors or conduct other payment transactions, any of which could make our platform less convenient and attractive and harm our ability to attract and retain learners, instructors, and customers. In addition, if these providers increase the fees they charge us, our operating expenses could increase.

The laws and regulations related to payments are complex and vary across different jurisdictions in the United States and globally. As a result, we are required to spend significant time and effort to comply with those laws and regulations. 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 expand our international operations, we will need to accommodate international payment method alternatives. As we expand the availability of new payment methods in the future, including internationally, 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 credit and debit card payments from our learners and UB customers, process electronic funds transfers or facilitate other types of online payments, and our business and operating results could be adversely affected.

The use of our platform could be adversely affected if our mobile solutions are not effective.

Learners have been increasingly accessing our platform on mobile devices through our Udemy and UB apps in recent years. The smaller screen size and reduced functionality associated with some mobile devices may make the use of our platform more difficult. Those accessing our platform primarily on mobile devices may not enroll in the courses offered on our platform 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 a rewarding experience on mobile devices, our ability to attract learners to our platform could be impaired, and consequently our business may suffer.

As new mobile devices and mobile 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, including:

- actions taken by mobile app distributors, including the Apple App Store and the Google Play Store;
- 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 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 encounter difficulty accessing or using, or if they choose not to use, our mobile platform, our business and results of operations may be adversely affected.

Internet search engines drive traffic to our platform and, if we fail to appear prominently in search results, our growth rate could decline and our business, financial condition and results of operations could be adversely affected.

Many learners find our website through internet search engines, like Google. A critical factor in attracting learners to our website is how prominently we are displayed in response to search queries. Search engine companies typically provide two types of search results: algorithmic listings and paid advertisements. We rely on both types of search results to attract visitors to our website. Algorithmic search result listings are determined and displayed in accordance with a set of proprietary formulas or algorithms developed by particular search engine companies. From time to time, these companies revise their algorithms without notice. In some instances, these modifications have caused our website to be listed less prominently in search results. In addition, search engine companies retain broad discretion to remove from search results any company whose marketing practices are deemed to be inconsistent with the search engine companies' guidelines. If our marketing practices violate or appear to violate search engine company guidelines, we may, without warning, not appear in search result listings at all. If we are listed less prominently or fail to appear in search result listings for any reason, visits by prospective learners to our website would likely decline. 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.

Risks related to our intellectual property

We may be unable to adequately obtain, maintain, protect, and enforce our intellectual property and proprietary information, which could adversely affect our business, financial condition, and results of operations.

Our business depends on our intellectual property, the protection of which is critical to our success. We rely on a combination of intellectual property rights, including patents, trade secrets, trade dress, domain names, copyrights, and trademarks to protect our competitive advantage, all of which offer only limited protection. The steps we take to protect our intellectual property, including physical, operational, and managerial protections of our confidential information, contractual obligations of confidentiality, assignment agreements with our employees and contractors, license agreements, and the prosecution and maintenance of registrations and applications for registration of intellectual property rights, require significant resources and may be inadequate. We will not be able to protect our competitive advantage if we are unable to establish, protect, maintain, or enforce our rights or if we do not detect or are unable to address unauthorized use of our intellectual property. We may be required to use significant resources to monitor and protect these rights. Despite our precautions, it may be possible for unauthorized third parties to copy portions or all of our platform and use information that we regard as proprietary to create services that compete with ours. Some license provisions protecting against unauthorized use, copying, transfer, and disclosure of our proprietary information may be unenforceable under the laws of certain jurisdictions.

We hold various registered trademarks in the United States and in foreign jurisdictions. We also have common law rights in some trademarks and pending trademark applications in the United States and foreign jurisdictions. In addition, we have registered domain names for websites that we use in our business, such as www.udemy.com and some other variations. Competitors may adopt service names or domain names similar to ours, thereby harming our ability to build brand identity and possibly leading to user confusion. In addition, our registered or unregistered trademarks or trade names could be declared generic, and there could be potential trade name or trademark infringement claims brought by owners of other trademarks that are similar to our trademarks. If our trademarks and trade names are not adequately protected, then we may not be able to build and maintain name recognition in our markets of interest and our business may be adversely affected. Effective trademark protection may not be available or may not be sought in every country in which our products are made available, in every class of goods and services in which we operate, and contractual disputes may affect the use of marks governed by private contract. Further, we hold a small number of issued patents and thus have a limited ability to exclude or prevent our competitors from implementing technology, methods, and processes similar to our own. Litigation or proceedings before the U.S. Patent and Trademark Office or other governmental authorities and administrative bodies in the United States and abroad may be necessary in the future to enforce our intellectual property rights and to determine the validity and scope of our rights and the proprietary rights of others. Further, we may not timely or successfully apply for a patent or register its trademarks or otherwise secure rights in our intellectual property. We expect to continue to expand internationally and, in some foreign countries, the mechanisms to establish and enforce intellectual property rights may be inadequate to protect our technology, which could harm our business.

It is our policy to enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with the parties with whom we have strategic relationships. No assurance can be given that these agreements will be effective in controlling access to our proprietary information and trade secrets. The confidentiality agreements on which we rely to protect certain technologies may be breached, may not be adequate to protect our confidential information, trade secrets, and proprietary technologies, and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information, trade secrets, or proprietary technology. Further, these agreements do not prevent our competitors or others from independently developing products that are substantially equivalent or superior to ours. In addition, others may independently discover our trade secrets and confidential information, and in such cases we may not be able to assert any trade secret rights against such parties. Additionally, we may from time to time be subject to opposition or similar proceedings with respect to applications for registrations of our intellectual property, including trademarks. While we aim to acquire adequate protection of our brand through trademark registrations in key markets, occasionally third parties may have already registered or otherwise acquired rights to identical or similar marks for services that also address our market. We rely on our brand and trademarks to identify our platform and to differentiate our platform and services from those of our competitors, and if we are unable to adequately protect our trademarks, third parties may use our brand names or trademarks similar to ours in a manner that may cause confusion in the market, which could decrease the value of our brand and adversely affect our business and competitive advantages.

Our intellectual property rights and the enforcement or defense of such rights may be affected by developments or uncertainty in laws and regulations relating to intellectual property rights. Moreover, many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets, and other intellectual property protection, which could make it difficult for us to stop the infringement, misappropriation, or other violation of our intellectual property or marketing of competing products in violation of our intellectual property rights generally.

Policing unauthorized use of our intellectual property and misappropriation of our technology and trade secrets is difficult and we may not always be aware of such unauthorized use or misappropriation. Despite our efforts to protect our intellectual property rights, unauthorized third parties may attempt to use, copy, or otherwise obtain and market or distribute our technology or otherwise develop services with the same or similar functionality as our platform. If our competitors infringe, misappropriate, or otherwise violate our intellectual property rights and we are not adequately protected, or if our competitors are able to develop a platform with the same or similar functionality as ours without infringing our intellectual property, our competitive advantage and results of operations could be harmed. Litigation brought to protect and enforce our intellectual property rights could be costly, time consuming, and distracting to management and could result in the impairment or loss of portions of our intellectual property. As a result, we may be aware of infringement by our competitors but may choose not to bring litigation to protect our intellectual property rights due to the cost, time, and distraction of bringing such litigation. Furthermore, if we do decide to bring litigation, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits challenging or opposing our right to use and otherwise exploit particular intellectual property, services, and technology or the enforceability of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our solutions, impair the functionality of our platform, prevent or delay introductions of new or enhanced solutions, result in us substituting inferior or more costly technologies into our platform, or injure our reputation. Furthermore, many of our current and potential competitors may have the ability to dedicate substantially greater resources to developing and protecting their technology or intellectual property rights than we do.

Intellectual property litigation, including litigation related to content available on our platform, could result in significant costs and adversely affect our business, financial condition, results of operations, and reputation.

Companies in the technology industry are frequently subject to litigation based on allegations of infringement or other violations of intellectual property rights. We periodically receive notices that claim we have infringed, misappropriated, or misused other parties' intellectual property rights, including with respect to content made available on our platform by instructors and other third parties. As we gain greater public recognition, we may face a higher risk of being the subject of intellectual property claims. Any intellectual property 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. Some of our competitors have extensive portfolios of issued patents. Many potential litigants, including some of our competitors and patent holding companies, have the ability to dedicate substantial resources to enforcing their intellectual property rights. Litigation regarding intellectual property rights is inherently uncertain due to the complex issues involved, and we may not be successful in defending ourselves in such matters. Furthermore, we may not qualify for the safe harbors established by laws in the United States and other countries protecting online service providers from claims related to content posted by users, or those laws could change in a manner making it difficult or impossible to qualify for such protection, increasing our exposure. While our terms and policies require instructors to respect the intellectual property rights of others, we have limited ability to influence the behavior of third parties, and there can be no assurance that these terms and policies will be sufficient to dissuade or prevent infringing activity by third parties on our platform. For more information, see “—Risks related to our business and operations—We could face liability, or our reputation might be harmed, as a result of courses posted to our platform.”

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 intellectual property alleged to be in violation of a third party's rights. We also might be required to seek a license for third-party intellectual property. 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.

Our platform contains third-party open source software components, and failure to comply with the terms of the underlying open source software licenses could restrict our ability to provide our platform.

We use open source software in our platform and expect to continue to use open source software in the future. In addition, we contribute software source code to open source projects under open source licenses or release

internal software projects under open source licenses and anticipate continuing to do so in the future. Additionally, under some open source licenses, if we combine our proprietary software with open source software in a certain manner, certain proprietary software (including our own software) or other intellectual property rights could become subject to obligations to be disclosed in source code form and licensed, including for the purpose of enabling further modification and distribution, and at no charge or for only a nominal fee. Third parties may also seek to enforce the terms of the applicable open source license through litigation which, if successful, could subject us to liability and require us to make our proprietary software source code available under an open source license, seek to purchase a license (which, if available, could be costly), and cease offering the implicated products or services unless and until we can re-engineer them to avoid infringement. This re-engineering process could require significant additional research and development resources, and we may not be able to complete it successfully. Many of the terms of many open source licenses to which we are subject have not been interpreted by U.S. or foreign courts, and there is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide or distribute our products or services. While we try to insulate our proprietary code from the effects of such open source license provisions, we cannot guarantee that we will be successful, that all open source software is reviewed prior to use in our products, that our developers have not incorporated open source software into our products in potentially disruptive ways, or that they will not do so in the future. In addition to risks related to open source license requirements, use of certain open source software may pose greater risks than use of third-party commercial software, since open source licensors generally do not provide warranties or controls on the origin of software. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could adversely affect our business, financial condition, and results of operations.

Risks related to financial reporting, taxation, and operations as a public company

If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired, which may adversely affect investor confidence in us and, as a result, lead to a decline in the market price of our common stock.

As a public company, we are required to comply with the requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), and the rules and regulations of Nasdaq. The Sarbanes-Oxley Act, among other things, requires that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our management, including our principal executive and financial officers.

Under the Sarbanes-Oxley Act, we are required to make a formal assessment of the effectiveness of our internal control over financial reporting. The cost of our compliance with Section 404 will continue to divert resources and take significant time and effort. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on Nasdaq. Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Moreover, our testing, or the subsequent testing by our independent registered public accounting firm, may reveal additional deficiencies in our internal control over financial reporting that are deemed to be material weaknesses.

Any failure to implement and maintain effective disclosure controls and procedures and internal control over financial reporting, including the identification of one or more material weaknesses, could cause investors to lose confidence in the accuracy and completeness of our financial statements and reports, which would likely adversely affect the market price of our common stock. In addition, we could be subject to sanctions or investigations by Nasdaq, the SEC, and other regulatory authorities.

Operating as a public company requires us to incur substantial costs and administrative burdens, which could have an adverse effect on our business, financial condition and results of operations.

As a public company, we incur substantial legal, accounting, administrative, and other costs and expenses that we did not incur as a private company. As a public company, we are subject to additional reporting and other obligations, such as the reporting requirements of the Exchange Act, the applicable requirements of the

Sarbanes-Oxley Act, and the applicable listing standards of Nasdaq. Compliance with these rules and regulations will increase our legal and financial compliance costs and increase demand on our systems. We expect our recent loss of “emerging growth company” status will require additional attention from management and will result in increased costs to us, which could include higher legal fees, accounting fees and fees associated with investor relations activities, among others. As a public company, we may also be subject to stockholder activism, which can lead to additional substantial costs, distract management, and impact the manner in which we operate our business in ways we cannot currently anticipate. Our business and financial condition will become more visible as a result of our reporting obligations as a public company, which may result in threatened or actual litigation, including by competitors.

Many members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage our transition to being a public company subject to significant regulatory oversight and reporting obligations under federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents will require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, financial condition, and results of operations.

Unanticipated changes in our effective tax rate and additional tax liabilities, including as a result of our international operations or implementation of new tax rules, could harm our future results of operations.

We are subject to income taxes in the United States and certain foreign jurisdictions, including Australia, Brazil, India, Ireland, Japan, Taiwan, Turkey, and the United Kingdom. Our effective tax rate could be subject to volatility or adversely affected by several factors, many of which are outside of our control, including changes in the mix of earnings and losses in countries with differing statutory tax rates, changes in tax laws, rates, treaties, and regulations or the interpretation of the same, changes to the financial accounting rules for income taxes, the outcome of current and future tax audits, examinations or administrative appeals, certain non-deductible expenses and the valuation of deferred tax assets and liabilities. For example, the United States enacted the Inflation Reduction Act, which imposes a 1% excise tax on certain stock repurchases and a 15% alternative minimum tax on adjusted financial statement income. The Organization for Economic Cooperation and Development proposed a 15% global minimum tax, which has been adopted by the European Union effective from January 1, 2024. Increases in our effective tax rate would reduce profitability or increase losses. In addition, we are subject to complex transfer pricing regulations administered by taxing authorities in various jurisdictions. Changes in tax and trade laws, treaties, or regulations, or their interpretation or enforcement, have become more unpredictable and may become more stringent, which could have a material adverse effect on our tax position. We made significant judgments and assumptions in the interpretation of new laws and in our calculations reflected in our financial statements.

Further, we are subject to examination by federal, state, local, and foreign tax authorities on income, employment, sales, and other tax matters. While we regularly assess the likelihood of adverse outcomes from such examinations and the adequacy of our provision for taxes, there can be no assurance that such provision is sufficient and that a determination by a tax authority would not have an adverse effect on our business, financial condition, and results of operations. We believe our income, employment, and transactional tax liabilities are reasonably estimated and accounted for in accordance with applicable laws and principles, but an adverse resolution of one or more uncertain tax positions in any period could have a material impact on the results of operations for that period. Certain risks relating to employment and sales taxes are described in more detail under Note 9 (“Accrued expenses and other current liabilities”).

Taxing authorities may successfully assert that we have not properly collected or remitted, or in the future should collect or remit, sales and use, gross receipts, value added, or similar taxes, or employment, payroll, or withholding taxes, and may successfully impose additional obligations on us, and any such assessments, obligations, or inaccuracies could adversely affect our business, financial condition, and results of operations.

The application of non-income, or indirect, taxes, such as sales and use tax, value-added tax, goods and services tax, business tax, and gross receipt tax, to businesses like ours is a complex and evolving issue. Significant judgment is required on an ongoing basis to evaluate applicable tax obligations, and as a result, amounts recorded are estimates and are subject to adjustments. In many cases, the ultimate tax determination is uncertain because it is not clear how new and existing statutes might apply to our business. In addition, we do not collect and remit indirect taxes in all jurisdictions in which we operate on the basis that such indirect taxes are not applicable to us. Certain jurisdictions in which we do not collect and remit such taxes may assert that such taxes are applicable, which could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest, could discourage learners, instructors, or organizations from using our platform, could increase the cost for consumers using our platform, or could otherwise harm our business, financial condition, and results of operations.

Additionally, one or more states, localities, or other taxing jurisdictions may seek to impose additional reporting, record-keeping, or indirect tax collection obligations on businesses like ours. Requiring tax reporting or collection could decrease learner or instructor activity, which would harm our business, and could require us to incur substantial costs in order to comply, including costs associated with tax calculation, collection, and remittance and audit requirements, which could make our offerings less attractive and could adversely affect our business, financial condition, and results of operations.

Also, tax rules of certain countries, including the United States, generally require payors to report payments to unrelated parties to the applicable taxing authority and to withhold a percentage of certain amounts and remit such amounts to the applicable taxing authority. Failure to comply with such reporting and withholding obligations with respect to payments we make to our instructors could result in the imposition of liabilities for the under withheld amounts, fines, and penalties. In addition, a tax authority could assert that we should be withholding employment or other taxes from payments to instructors. Due to our large number of instructors and the amounts paid to each, process failures with respect to these reporting obligations could result in financial liability and other consequences to us if we were unable to remedy such failures in a timely manner.

As a result of these and other factors, the ultimate amount of tax obligations owed may differ from the amounts recorded in our financial statements and any such difference may adversely affect our results of operations in future periods in which we change our estimates of our tax obligations or in which the ultimate tax outcome is determined.

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

We have incurred net operating losses ("NOLs") since our inception, and we expect to continue to incur net losses in the near future. As such, there is a risk that our existing NOLs could expire unused and be unavailable to offset future income tax liabilities if we do not achieve profitability. This may require us to pay federal income taxes in future years even if our NOLs were otherwise sufficient to offset our federal taxable income in such years. There is also a risk that due to regulatory and economic changes, such as suspensions on the use of NOLs, or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to offset future income tax liabilities. Similar or different limitations may apply under state laws. We have recorded a full valuation allowance related to our NOLs and other deferred tax assets due to the uncertainty of the realization of the future benefits of these assets. If our NOLs and other tax attributes expire before utilization or are subject to limitations, our business and financial results could be harmed.

In addition, under Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”), if a corporation undergoes an “ownership change,” the corporation’s ability to use its pre-change NOLs and federal tax credit carryforwards to offset its post-change taxable income, or reduce its federal income tax liability, may be limited. In general, an “ownership change” occurs when there is a cumulative change in our equity ownership by “5 percent shareholders” that exceeds 50 percentage points over a rolling three-year period. Certain of our gross U.S. federal NOLs are subject to this limitation as a result of these ownership changes, and if it is determined that we have experienced additional ownership changes, including as a result of our IPO, future transactions in our stock, some of which are outside our control, or both, our ability to use our NOLs and federal tax credit carryforwards to reduce future taxable income and tax liabilities may be further limited. Similar limitations may apply under state tax laws.

Our results of operations, which we report in U.S. dollars, could be adversely affected if currency exchange rates fluctuate substantially in the future.

We conduct our business across more than 180 countries around the world. As we continue to expand our international operations, we will become more exposed to the effects of fluctuations in currency exchange rates. This exposure is the result of selling in multiple currencies and operating in foreign countries where the functional currency is the local currency. During the three months ended March 31, 2023, 31% of our sales were denominated in currencies other than U.S. dollars, including euros, Indian rupees, British pounds sterling, Brazilian reais, and Japanese yen. Our expenses, by contrast, are primarily denominated in U.S. dollars. As a result, any increase in the value of the U.S. dollar against these foreign currencies may cause our revenue to decline relative to our costs, thereby decreasing our gross margins. For example, the euro, British pound sterling and Japanese yen have all recently experienced declines in value against the U.S. dollar, which has negatively affected our results of operations during the year ended December 31, 2022 and could continue to negatively impact our results of operations in future periods. Because we conduct business in currencies other than U.S. dollars, but report our results of operations in U.S. dollars, we also face remeasurement exposure to fluctuations in currency exchange rates, which could hinder our ability to predict our future results and earnings and could materially impact our results of operations. We do not currently maintain a program to hedge exposures to non-U.S. dollar currencies.

We could be adversely impacted by the effects of inflation.

Certain of our key markets, including the United States, are experiencing historically high rates of inflation, resulting from a number of macroeconomic and geopolitical factors, including supply chain constraints and rising oil and natural gas prices. Our operating costs have increased and may continue to increase due to rising inflation and as a result we may be required to take measures to respond to the impact of inflation. Among other things, we could be required to change our pricing model to offset inflationary pressures on our operating costs, but doing so could adversely affect customer acquisition and retention, negatively impacting our long-term growth, and could impair our competitive position if our competitors choose to absorb the cost of inflation. Alternatively, if we choose to absorb the cost of inflation to prioritize growth, our financial condition and results of operations may be negatively impacted as a result. Moreover, our instructors may independently make pricing decisions with respect to the courses they offer on our platform as a result of inflationary pressures, and any price increase could negatively impact the attractiveness of our marketplace to learners. Inflation has also contributed to higher interest rates, which may make it more difficult for us to raise capital on acceptable terms, should we choose to pursue additional financing in the future.

In any case, there can be no assurance that any measures we take to mitigate or address the impact of inflation will be effective. Even if such mitigatory measures are effective, there could be a difference between the timing of when these beneficial actions impact our results of operations and when the cost of inflation is incurred.

Any failure to successfully manage the impact of inflation on our business in a timely manner could materially and adversely affect our business, financial condition, and results of operations.

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

Generally accepted accounting principles are subject to interpretation by the Financial Accounting Standards Board, the SEC, and various bodies formed to promulgate and interpret appropriate 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 announcement of a 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 results of operations.

Risks related to ownership of our common stock

The trading price of our common stock may be volatile, and you could lose all or part of your investment.

The market price of our common stock has, and may continue to, fluctuate substantially depending on a number of factors, including those described in this “Risk Factors” section, many of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our common stock. Factors that could cause fluctuations in the trading price of our common stock include the following:

- price and volume fluctuations in the overall stock market from time to time;
- volatility in the trading prices and trading volumes of technology stocks;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- sales of shares of our common stock by us or our stockholders;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- the financial projections we may provide to the public, any changes in those projections, or our failure to meet those projections;
- announcements by us or our competitors of new services or platform features;
- the public’s reaction to our press releases, other public announcements, and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our results of operations or fluctuations in our results of operations;
- actual or anticipated developments in our business, our competitors’ businesses, or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- actual or perceived privacy or security breaches or other incidents;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses, services, or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations, or principles;
- any significant change in our management;
- general economic conditions and slow or negative growth of our markets; and
- other events or factors, including those resulting from wars and other armed conflicts, such as Russia’s invasion of Ukraine, incidents of terrorism, natural disasters, public health concerns or epidemics, such as the COVID-19 pandemic, natural disasters, or responses to these events.

In addition, in the past, following periods of volatility in the overall market and the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

Future sales of our common stock could depress the market price of our common stock.

The market price of our common stock could decline as a result of substantial sales of our common stock, particularly sales by our directors, executive officers, and significant stockholders, a large number of shares of our common stock becoming available for sale, or the perception in the market that such sales could occur.

Certain holders of our common stock are entitled to rights with respect to the registration of their shares under the Securities Act under our investors' rights agreement. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares held by our affiliates as defined in Rule 144 under the Securities Act, which are subject to the limitations of Rule 144. Sales of our securities or the perception that such sales could occur pursuant to these registration rights may make it more difficult for us to issue and sell securities in the future at a time and at a price that we deem appropriate. These sales could also adversely affect the trading price of our common stock and make it more difficult for you to sell shares of our common stock.

Future issuances of our common stock or rights to purchase common stock could result in additional dilution to our stockholders and cause the price of our common stock to decline.

We may issue additional common stock, convertible securities, or other equity from time to time. We also expect to issue common stock to our employees, directors, and other service providers pursuant to our equity incentive plans. Such issuances will be dilutive to investors and could cause the price of our common stock to decline. New investors in such issuances could also receive rights senior to those of holders of our common stock.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about us, our business or our industry, or if they change their recommendation regarding our common stock adversely, the market price and trading volume of our common stock could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us, our business, our market, or our competitors. The analysts' estimates are based upon their own opinions and are often different from our estimates or expectations. If any of the analysts who cover us change their recommendation regarding our common stock adversely, provide more favorable relative recommendations about our competitors, or publish inaccurate or unfavorable research about our business, the price of our securities would likely decline. If few securities analysts commence coverage of us, or if one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets and demand for our securities could decrease, which could cause the price and trading volume of our common stock to decline.

We do not expect to pay dividends in the foreseeable future.

We have never declared nor paid cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not anticipate declaring or paying any dividends to holders of our capital stock in the foreseeable future. Consequently, stockholders must rely on sales of their shares of our common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment.

Our directors, executive officers, and principal stockholders beneficially own a substantial percentage of our common stock and are able to exert significant control over matters subject to stockholder approval.

As of March 31, 2023, our directors, executive officers, and holders of more than 5% of our outstanding common stock, together with their respective affiliates, beneficially owned shares representing approximately 49% of our outstanding common stock. As a result, these stockholders, if they act together, will be able to influence our management and affairs and all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. This concentration of ownership may have the effect of delaying or preventing a change in control of our company and might affect the market price of our common stock.

Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws might delay, discourage or prevent a merger, tender offer or proxy contest, thereby depressing the market price of our common stock.

Our status as a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law (the “DGCL”), may discourage, delay or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the date of the transaction in which the person became an interested stockholder, even if a change of control would be beneficial to our existing stockholders. In addition, our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may make any acquisition of our company more difficult or delay or prevent changes in control of our management. Among other things, these provisions:

- provide that our board of directors is expressly authorized to make, alter or repeal our bylaws;
- authorize our board of directors to issue shares of preferred stock and determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval;
- provide that the authorized number of directors may be changed only by resolution of the board of directors;
- provide that all vacancies on our board of directors and all newly created directorships may only be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum, or by a sole remaining director, except as otherwise required by law, our governing documents or resolution of our board of directors, and subject to the rights of the holders of our preferred stock;
- establish that our board of directors is divided into three classes, with each class serving staggered three-year terms;
- provide that a director may only be removed from the board of directors by the stockholders for cause and only by the affirmative vote of the holders of at least a majority of the voting power of the issued and outstanding capital stock entitled to vote in the election of directors;
- prohibit cumulative voting (therefore allowing the holders of a plurality of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose);
- require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent;
- require that stockholders give advance notice to nominate directors or submit proposals for consideration at stockholder meetings;
- provide that special meetings of our stockholders may be called only by the board of directors acting pursuant to a resolution adopted by the majority of the entire board of directors, the Chairperson of the board of directors, our Chief Executive Officer or our President;

- provide that, unless we otherwise consent in writing, a state or federal court located within the State of Delaware shall be the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) 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, (3) any action asserting a claim against us arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation, and our amended and restated bylaws, or (4) any action asserting a claim against us governed by the internal affairs doctrine;
- provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act; and
- require a super-majority vote of stockholders to amend some of the provisions described above.

These provisions, alone or together, could delay, discourage, or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire, any of which, under certain circumstances, could limit the opportunity for our stockholders to receive a premium for their shares of our common stock and could also affect the price that some investors are willing to pay for our common stock.

Our amended and restated bylaws provide, to the fullest extent permitted by law, that the Court of Chancery of the State of Delaware and the federal district courts of the United States are the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers, stockholders, or employees and, in turn, discourage lawsuits against our directors, officers, or employees.

Our amended and restated bylaws provide that, to the fullest extent permitted by applicable law and unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another state court in Delaware or the federal district court for the District of Delaware) will be the sole and exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a claim of breach of a fiduciary duty owed by any of our directors, stockholders, officers, or other employees to us or our stockholders; any action arising pursuant to any provision of the DGCL, our certificate of incorporation, or our bylaws; and any other action asserting a claim that is governed by the internal affairs doctrine. This exclusive forum provision would not apply to any action brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts of the United States have exclusive jurisdiction.

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 United States will be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act against any person in connection with any offering of our securities. 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 United States have exclusive jurisdiction.

These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or our current or former directors, officers, stockholders, or other employees, which may discourage such lawsuits against us and our current and former directors, officers, stockholders, and other employees. Alternatively, if a court were to find either exclusive forum provision in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving such action in other jurisdictions, all of which could have a material adverse effect on our business, financial condition, and results of operations.

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

None.

Item 3. Defaults upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

The documents listed in the Exhibit Index of this Quarterly Report on Form 10-Q are herein incorporated by reference or are filed with this Quarterly Report on Form 10-Q, in each case as indicated therein (numbered in accordance with Item 601 of Regulation S-K).

EXHIBIT INDEX

Exhibit No.	Exhibit Description	Incorporated by Reference			
		Form	File Number	Exhibit	Filing Date
10.1	2021 Equity Incentive Plan, as amended and restated				
10.2	Form of Performance-Based Restricted Stock Unit Award Agreement under 2021 Equity Incentive Plan				
10.3	Confirmatory Employment Letter between the Registrant and Stephanie Stapleton Sudbury				
10.4	Change in Control and Severance Agreement by and between the Registrant and Stephanie Stapleton Sudbury				
31.1	Certification of the 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 the 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*	Certifications of the Principal Executive Officer and Principal Financial 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 the 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 (formatted as inline XBRL and contained in Exhibit 101)

* The certifications attached as Exhibits 32.1 and 32.2 that accompany this Form 10-Q are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Udemy, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Form 10-Q, irrespective of any general incorporation language contained in such filing.

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.

Udemy, Inc.

Date: May 3, 2023

By: /s/ Greg Brown
Greg Brown
President and Chief Executive Officer

Date: May 3, 2023

By: /s/ Sarah Blanchard
Sarah Blanchard
Chief Financial Officer

UDEMY, INC.

2021 EQUITY INCENTIVE PLAN

(As amended April 18, 2023)

1. **Purposes of the Plan; Award Types.** The purposes of this Plan are to attract and retain personnel for positions with the Company Group, provide additional incentive to Service Providers, and promote the success of the Company's business. The Plan permits the grant of Incentive Stock Options to any ISO Employee and the grant of Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, and Performance Awards to any Service Provider.

2. **Definitions.** The following definitions are used in this Plan:

(a) "**Administrator**" has the meaning set forth in Section 4(a).

(b) "**Applicable Laws**" means the legal and regulatory requirements relating to the administration of equity-based awards, including but not limited to the related issuance of Shares under U.S. federal and state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and, only to the extent applicable with respect to an Award or Awards, the tax, securities, exchange control, and other laws of any jurisdictions other than the United States where Awards are, or will be, granted under the Plan. Reference to a section of an Applicable Law or regulation related to that section shall include such section or regulation, any valid regulation issued under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(c) "**Award**" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, or Performance Awards.

(d) "**Award Agreement**" means the written or electronic agreement setting forth the terms applicable to an Award granted under the Plan. The Award Agreement is subject to the terms of the Plan.

(e) "**Board**" means the Board of Directors of the Company.

(f) "**Change in Control**" means the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("**Person**"), acquires ownership of the stock of the Company that, with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; *provided*, that for this subsection, the acquisition of additional stock by any one Person, who prior to such acquisition is considered to own more than 50% of the total voting power of the stock of the Company will not be considered a Change in Control and *provided, further*, that any change in the ownership of the stock of the Company as a result of a private financing of the Company that is approved by the Board also will not be considered a Change in Control. Further, if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately prior to the change in ownership, direct or indirect beneficial ownership of 50% or more of the total voting power of the stock of the Company or of the ultimate parent entity of the Company, such event shall not be considered a Change in Control under this Section 2(f)(i). For this purpose, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or

(ii) A change in the effective control of the Company which occurs on the date a majority of members of the Board is replaced during any 12-month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the appointment or election. For purposes of this Section 2(f)(ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; *provided*, that for this Section 2(f)(iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity controlled by the Company's stockholders immediately after the transfer or (B) a transfer of assets by the Company to (1) a stockholder of the Company

Exhibit 10.1

(immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in Section 2(f)(iii)(B)(1), (2), or (3).

For this definition, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. For this definition, persons will be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. For the avoidance of doubt, wholly-owned subsidiaries of the Company shall not be considered "Persons" for purposes of this Section 2(f).

For purposes of this Section 2(f), persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. For the avoidance of doubt, wholly-owned subsidiaries of the Company shall not be considered "Persons" for purposes of this Section 2(f).

A transaction will not be a Change in Control (i) unless the transaction qualifies as a change in control event within the meaning of Code Section 409A or (ii) if its primary purpose is to (A) change the jurisdiction of the Company's incorporation or (B) create a holding company owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(g) "**Code**" means the U.S. Internal Revenue Code of 1986, as amended. Reference to a section of the Code or regulation related to that section shall include such section or regulation, any valid regulation issued or other official applicable guidance of general or direct applicability promulgated under such section or regulation, and any comparable provision of any future legislation, regulation or official guidance of general or direct applicability amending, supplementing or superseding such section or regulation.

(h) "**Committee**" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board.

(i) "**Common Stock**" means the common stock of the Company.

(j) "**Company**" means Udeemy, Inc., a Delaware corporation, or any of its successors.

(k) "**Company Group**" means the Company, any Parent, or Subsidiary of the Company, and any entity that, from time to time and at the time of any determination, directly or indirectly, is in control of, is controlled by or is under common control with the Company.

(l) "**Consultant**" means any natural person engaged by a member of the Company Group to render bona fide services to such entity, provided the services (i) are not in connection with the offer or sale of securities in a capital raising transaction and (ii) do not directly promote or maintain a market for the Company's securities. A Consultant must be a person to whom the issuance of Shares registered on Form S-8 under the Securities Act is permitted.

(m) "**Director**" means a member of the Board.

(n) "**Disability**" means total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(o) "**Employee**" means any person, including Officers and Directors, providing services as an employee to the Company or any member of the Company Group. However, with respect to Incentive Stock Options, an Employee must be employed by the Company or any Parent or Subsidiary of the Company (such an Employee, an "**ISO Employee**"). Notwithstanding, Options awarded to individuals not providing services to the Company or a Subsidiary of the Company should be carefully structured to comply with the payment timing rule of Code Section 409A. Neither service as a Director nor payment of a director's fee by the Company will constitute "employment" by the Company.

(p) "**Exchange Act**" means the U.S. Securities Exchange Act of 1934.

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(q) “**Exchange Program**” means a program under which (i) outstanding Awards are surrendered or cancelled in exchange for awards of the same type (which may have higher or lower Exercise Prices and different terms), awards of a different type, and/or cash, (ii) Participants would have the opportunity to transfer any outstanding Awards to a financial institution or other person or entity selected by the Administrator, and/or (iii) the Exercise Price of an outstanding Award is increased or reduced. The Administrator will determine the terms and conditions of any Exchange Program in its sole discretion.

(r) “**Exercise Price**” means the price payable per share to exercise an Award.

(s) “**Expiration Date**” means the last possible day on which an Option or Stock Appreciation Right may be exercised. Any exercise must be completed before midnight U.S. Pacific Time between the Expiration Date and the following date; *provided, however*, that any broker-assisted cashless exercise of an Option granted hereunder must be completed by the close of market trading on the Expiration Date.

(t) “**Fair Market Value**” means, as of any date, the value of a Share, determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the New York Stock Exchange, the NASDAQ Global Select Market, the NASDAQ Global Market, or the NASDAQ Capital Market of The NASDAQ Stock Market, the Fair Market Value will be the closing sales price for a Share (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, as reported by such source as the Administrator determines to be reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share will be the mean between the high bid and low asked prices for the Common Stock on the day of determination (or, if no bids and asks were reported on that date, on the last Trading Day such bids and asks were reported), as reported by such source as the Administrator determines to be reliable;

(iii) For any Awards granted on the Registration Date, the Fair Market Value will be the initial price to the public set forth in the final prospectus included within the registration statement on Form S-1 filed with the United States Securities and Exchange Commission for the initial public offering of the Common Stock; or

(iv) Absent an established market for the Common Stock, the Fair Market Value will be determined in good faith by the Administrator.

Notwithstanding the foregoing, if the determination date for the Fair Market Value occurs on a weekend, holiday, or other day other than a Trading Day, the Fair Market Value will be the price as determined under subsections (t)(i) or (t)(ii) above on the immediately preceding Trading Day, unless otherwise determined by the Administrator. In addition, for purposes of determining the fair market value of shares for any reason other than the determination of the Exercise Price of Options or Stock Appreciation Rights, fair market value will be determined by the Administrator in a manner compliant with Applicable Laws and applied consistently for such purpose. Note that the determination of fair market value for purposes of tax withholding may be made in the Administrator’s sole discretion subject to Applicable Laws and is not required to be consistent with the determination of Fair Market Value for other purposes.

(u) “**Final Rules**” means the final rules or regulations adopted by the U.S. Securities and Exchange Commission that permit the registration of Shares subject to Awards granted to Platform Workers under Form S-8 of the Securities Act, whether pursuant to the adoption of the Proposed Rules or other rules or regulations.

(v) “**Fiscal Year**” means a fiscal year of the Company.

(w) “**Grant Date**” has the meaning set forth in Section 4(c).

(x) “**Incentive Stock Option**” means an Option that is intended to qualify and does qualify as an incentive stock option within the meaning of Code Section 422.

(y) “**Nonstatutory Stock Option**” means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(z) “**Officer**” means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(aa) “**Option**” means a stock option to acquire Shares granted under Section 6.

(bb) “**Outside Director**” means a Director who is not an Employee.

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- (cc) “**Parent**” means a “parent corporation,” whether now or hereafter existing, as defined in Code Section 424(e).
- (dd) “**Participant**” means the holder of an outstanding Award.
- (ee) “**Performance Awards**” means an Award which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine and which may be cash- or stock-denominated and may be settled for cash, Shares, or other securities or a combination of the foregoing under Section 10.
- (ff) “**Performance Period**” has the meaning set forth in Section 10(a).
- (gg) “**Period of Restriction**” means the period during which the transfer of Shares of Restricted Stock is subject to restrictions and therefore the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.
- (hh) “**Plan**” means this 2021 Equity Incentive Plan.
- (ii) “**Platform Worker**” means a natural person or entity that provides services to the Company or any Parent or Subsidiary of the Company available through the Company’s internet-based marketplace platform or system. A Platform Worker must be a natural person or entity to whom the issuance of Shares registered on Form S-8 under the Securities Act is permitted under the Final Rules.
- (jj) “**Platform Worker Effective Date**” means the date that the Final Rules permit the registration of Shares subject to Awards granted to Platform Workers under Form S-8 of the Securities Act.
- (kk) “**Proposed Rules**” means the U.S. Securities and Exchange Commission Temporary Rules to Include Certain “Platform Workers” in Compensatory Offerings under Rule 701 and Form S-8 dated November 24, 2020; Release Nos. 33-10892; 34-90948; File No. S7-19-20.
- (ll) “**Registration Date**” means the effective date of the first Registration Statement.
- (mm) “**Registration Statement**” means a registration statement filed by the Company and declared effective under Section 12(b) of the Exchange Act with respect to any class of the Company’s securities.
- (nn) “**Restricted Stock**” means Shares issued under an Award granted under Section 8 or issued as a result of the early exercise of an Option.
- (oo) “**Restricted Stock Unit**” means a bookkeeping entry representing an amount equal to the Fair Market Value granted under Section 9. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.
- (pp) “**Returning Shares**” means any Shares subject to awards granted under the Company’s Amended and Restated 2010 Equity Incentive Plan (the “**Existing Plan**”) that, on or after the Registration Date, expire or otherwise terminate without having been exercised in full, are tendered to or withheld by the Company for payment of an exercise price or for tax withholding obligations, or are forfeited to or repurchased by the Company due to failure to vest, not to exceed 22,000,000 Shares.
- (qq) “**Securities Act**” means U.S. Securities Act of 1933.
- (rr) “**Service Provider**” means an Employee, Director, Consultant or, on or after the Platform Worker Effective Date, Platform Worker, to the extent permitted by the Final Rules.
- (ss) “**Share**” means a share of the Common Stock as adjusted in accordance with Section 13.
- (tt) “**Stock Appreciation Right**” means an Award granted under Section 7.
- (uu) “**Subsidiary**” means a “subsidiary corporation” as defined in Code Section 424(f), in relation to the Company.
- (vv) “**Tax Withholdings**” means tax, social insurance and social security liability or premium obligations in connection with the Awards, including, without limitation, (i) all federal, state, and local income, employment, and

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any other taxes (including the Participant's U.S. Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by the Company or a member of the Company Group, (ii) the Participant's and, to the extent required by the Company, the Company's or a member of the Company Group's fringe benefit tax liability, if any, associated with the grant, vesting, or exercise of an Award or sale of Shares issued under the Award, and (iii) any other taxes or social insurance or social security liabilities or premium the responsibility for which the Participant has, or has agreed to bear, with respect to such Award, the Shares subject to, or other amounts or property payable under, an Award, or otherwise associated with or related to participation in the Plan and with respect to which the Company or the applicable member of the Company Group has either agreed to withhold or has an obligation to withhold.

(ww) "**Ten Percent Owner**" has the meaning set forth in Section 6(b)(i).

(xx) "**Trading Day**" means a day on which the primary stock exchange or national market system (or other trading platform, as applicable) on which the Common Stock trades is open for trading.

(yy) "**Transaction**" has the meaning set forth in Section 14(a).

3. Shares Subject to the Plan.

(a) **Share Limitation.** The maximum aggregate number of Shares that may be issued under the Plan is (i) 13,800,000 Shares plus (ii) the sum of any Returning Shares which become available from time to time plus (iii) an annual increase on the first day of each calendar year, for a period of not more than ten (10) years, beginning on January 1, 2023, and ending on (and including) January 1, 2031, in an amount equal to (A) five percent (5%) of the outstanding Shares on the last day of the immediately preceding calendar year or (B) such lesser amount (including zero) that the Administrator determines for purposes of the annual increase for that year. Notwithstanding the foregoing, the number of Shares that may be delivered in the aggregate pursuant to the exercise of ISOs granted under the Plan shall not exceed five (5) times the number of Shares provided under (i) above plus, to the extent allowable under Section 422 of the Code, any Shares that become available for issuance under the Plan pursuant to Section 3(b). The Shares may be authorized but unissued Common Stock or Common Stock issued and then reacquired by the Company.

(b) **Additional Shares.** If an Option or Stock Appreciation Right expires or becomes unexercisable without having been exercised in full or is surrendered under an Exchange Program, the unissued Shares subject to the Option or Stock Appreciation Right will become available for future issuance under the Plan. Only Shares actually issued pursuant to a Stock Appreciation Right (*i.e.*, the net Shares issued) will cease to be available under the Plan; all remaining Shares originally subject to the Stock Appreciation Right will remain available for future issuance under the Plan. Shares issued pursuant to Awards of Restricted Stock, Restricted Stock

Units, or stock-settled Performance Awards that are reacquired by the Company due to failure to vest or are forfeited to the Company will become available for future issuance under the Plan. Shares used to pay the Exercise Price of an Award or to satisfy Tax Withholdings related to an Award will become available for future issuance under the Plan. If any portion of an Award under the Plan is paid to a Participant in cash rather than Shares, that cash payment will not reduce the number of Shares available for issuance under the Plan.

The numbers provided in this Section 3 will be adjusted as a result of changes in capitalization and any other adjustments under Section 13. If the Administrator grants Awards in substitution for equity compensation awards outstanding under a plan maintained by an entity that is acquired by or that becomes a part of any member of the Company group, the grant of those substitute Awards will not decrease the number of Shares available for issuance under the Plan. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

4. Administration of the Plan.

(a) Procedure.

(i) The Plan will be administered by the Board or a Committee (the "**Administrator**"). Different Administrators may administer the Plan with respect to different groups of Service Providers. The Board may retain the authority to concurrently administer the Plan with a Committee and may revoke the delegation of some or all authority previously delegated.

(ii) To the extent permitted by Applicable Laws, the Board or a Committee may delegate to one or more subcommittees of the Board or a Committee or officers the authority to grant Awards to Employees of the Company or any of its Subsidiaries, *provided* that the delegation must comply with any limitations on the authority required by

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Applicable Laws, including the total number of Shares that may be subject to the Awards granted by such officer(s). This delegation may be revoked at any time by the Board or Committee.

(b) **Powers of the Administrator.** Subject to the terms of the Plan, any limitations on delegations specified by the Board, and any requirements imposed by Applicable Laws, the Administrator will have the authority, in its sole discretion, to make any determinations and perform any actions deemed necessary or advisable to administer the Plan including:

(i) to determine the Fair Market Value;

(ii) to approve forms of Award Agreements for use under the Plan;

(iii) to select the Service Providers to whom Awards may be granted and grant Awards to such Service Providers;

(iv) to determine the number of Shares to be covered by each Award granted;

(v) to determine the terms and conditions, consistent with the Plan, of any Award granted. Such terms and conditions may include, but are not limited to, the Exercise Price, the time(s) when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating to an Award;

(vi) to institute and determine the terms and conditions of an Exchange Program, provided that the Company must obtain the approval of the Company's stockholders in order for any such Exchange Program to take effect;

(vii) to construe and interpret the Plan and make any decisions necessary to administer the Plan, including but not limited to determining whether and when a Change in Control has occurred;

(viii) to establish, amend, and rescind rules and regulations and adopt sub-plans relating to the Plan, including rules, regulations and sub-plans for the purposes of facilitating compliance with applicable non-U.S. laws, easing the administration of the Plan and/or obtaining tax-favorable treatment for Awards granted to Service Providers located outside the U.S., in each case as the Administrator may deem necessary or advisable;

(ix) to interpret, modify, or amend each Award (subject to Section 19), including extending the Expiration Date and the post-termination exercisability period of such modified or amended Awards;

(x) to allow Participants to satisfy tax withholding obligations in any manner permitted by Section 16;

(xi) to delegate ministerial duties to any of the Company's employees;

(xii) to authorize any person to take any steps and execute, on behalf of the Company, any documents required for an Award previously granted by the Administrator to be effective;

(xiii) to temporarily suspend the exercisability of an Award if the Administrator deems such suspension to be necessary or appropriate for administrative purposes, *provided* that, unless prohibited by Applicable Laws, such suspension shall be lifted in all cases not less than 10 Trading Days before the last date that the Award may be exercised;

(xiv) to allow Participants to defer the receipt of the payment of cash or the delivery of Shares otherwise due to any such Participants under an Award; and

(xv) to make any determinations necessary or appropriate under Section 13.

(c) **Grant Date.** The grant date of an Award ("**Grant Date**") will be the date that the Administrator makes the determination granting such Award or may be a later date if such later date is designated by the Administrator on the date of the determination or under an automatic grant policy. Notice of the determination will be provided to each Participant within a reasonable time after the Grant Date.

(d) **Waiver.** The Administrator may waive any terms, conditions, or restrictions.

(e) **Fractional Shares.** Except as otherwise provided by the Administrator, any fractional Shares that result from the adjustment of Awards will be canceled. Any fractional Shares that result from vesting percentages will be accumulated and vested on the date that an accumulated full Share is vested.

(f) **Electronic Delivery.** The Company may deliver by e-mail or other electronic means (including posting on a website maintained by the Company or by a third party under contract with the Company or another member of the Company Group) all documents relating to the Plan or any Award and all other documents that the Company is required to deliver to its security holders (including prospectuses, annual reports, and proxy statements).

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(g) Choice of Law; Choice of Forum. The Plan, all Awards and all determinations made and actions taken under the Plan, to the extent not otherwise governed by the laws of the United States, will be governed by the laws of the State of Delaware without giving effect to principles of conflicts of law. For purposes of litigating any dispute that arises under this Plan, a Participant's acceptance of an Award is his or her consent to the jurisdiction of the State of Delaware, and agreement that any such litigation will be conducted in Delaware Court of Chancery, or the federal courts for the United States for the District of Delaware, and no other courts, regardless of where a Participant's services are performed.

(h) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards.

5. **Eligibility**. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, and Performance Awards may be granted to Service Providers; *provided* that Awards granted to Platform Workers will be subject to any requirements provided by the Final Rules. Incentive Stock Options may be granted only to Employees.

6. Stock Options.

(a) Stock Option Award Agreement. Each Option will be evidenced by an Award Agreement that will specify the number of Shares subject to the Option, per share Exercise Price, its Expiration Date, and such other terms and conditions as the Administrator determines. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. An Option not designated as an Incentive Stock Option is a Nonstatutory Stock Option.

(b) Exercise Price. The Exercise Price for the Shares to be issued upon exercise of an Option will be determined by the Administrator and stated in the Award Agreement, subject to the following:

(i) In the case of an Incentive Stock Option:

(1) granted to an ISO Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than 10% of the voting power of all classes of stock of the Company or any Parent or Subsidiary of the Company (a "**Ten Percent Owner**"), the Exercise Price for the Shares to be issued will be no less than 110% of the Fair Market Value per Share on the date of grant; and

(2) granted to any ISO Employee other than a Ten Percent Owner, the Exercise Price for the Shares to be issued will be no less than 100% of the Fair Market Value per Share on the date of grant.

(ii) In the case of a Nonstatutory Stock Option, the Exercise Price for the Shares to be issued will be no less than 100% of the Fair Market Value per Share on the date of grant.

(iii) Notwithstanding the foregoing, Options may be granted with an Exercise Price of less than 100% of the Fair Market Value per Share on the date of grant (i) pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code or (ii) to a Service Provider that is not a U.S. taxpayer.

(c) Form of Consideration. The Administrator will determine the acceptable form(s) of consideration for exercising an Option. Unless the Administrator determines otherwise, the consideration may consist of any one or more or combination of the following, to the extent permitted by Applicable Laws:

(i) cash;

(ii) check or wire transfer;

(iii) promissory note, if and to the extent approved by the Company;

(iv) other Shares that have a fair market value on the date of surrender equal to the aggregate Exercise Price of the Shares as to which such Option will be exercised. To the extent not prohibited by the Administrator, this shall include the ability to tender Shares to exercise the Option and then use the Shares received on exercise to exercise the Option with respect to additional Shares;

(v) consideration received by the Company under a cashless exercise arrangement (whether through a broker or otherwise) implemented by the Company for the exercise of Options that has been approved by the Administrator, if and to the extent permitted by the Company with respect to a particular Award;

(vi) consideration received by the Company under a net exercise program under which Shares are withheld from otherwise deliverable Shares that has been approved by the Administrator, if and to the extent permitted by the Company with respect to a particular Award; and

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(vii) any other consideration or method of payment to issue Shares (provided that other forms of considerations may only be approved by the Administrator). The Administrator has the power to remove or limit any of the above forms of consideration for exercising an Option except for the payment of cash at any time in its sole discretion.

(d) Term of Option. The term of each Option will be determined by the Administrator and stated in the Award Agreement, provided that, in the case of an Incentive Stock Option: (a) granted to a Ten Percent Owner, the Option may not be exercisable after the expiration of five (5) years from the date such Option is granted, or such shorter term as may be provided in the Award Agreement; and (b) granted to an ISO Employee other than a Ten Percent Owner, the Option may not be exercisable after the expiration of ten (10) years from the date such Option is granted, or such shorter term as may be provided in the Award Agreement.

(e) Incentive Stock Option Limitations.

(i) To the extent that the aggregate fair market value of the shares with respect to which incentive stock options under Code Section 422(b) are exercisable for the first time by a Participant during any calendar year (under all plans and agreements of the Company Group) exceeds \$100,000, the incentive stock options whose value exceeds \$100,000 will be treated as nonstatutory stock options. Incentive stock options will be considered in the order in which they were granted. For this purpose, the fair market value of the shares subject to an option will be determined as of the grant date of each option.

(ii) If an Option is designated in the Administrator action that granted it as an Incentive Stock Option but the terms of the Option do not comply with Sections 6(b) and 6(d), then the Option will not qualify as an Incentive Stock Option.

(f) Exercise of Option. An Option is exercised when the Company receives: (i) a notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable tax withholdings). Shares issued upon exercise of an Option will be issued in the name of the Participant. Until the Shares are issued (as evidenced by the entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, despite the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. An Option may not be exercised for a fraction of a Share. Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan (except as provided in Section 3(c)) and for purchase under the Option, by the number of Shares as to which the Option is exercised.

(i) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon such cessation as the result of the Participant's death or Disability, the Participant may exercise his or her Option within thirty (30) days of such cessation, or such longer period of time as is specified in the Award Agreement (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement or Section 6(d), as applicable) to the extent that the Option is vested on the date of cessation. Unless otherwise provided by the Administrator or set forth in the Award Agreement or other written agreement authorized by the Administrator between the Participant and the Company or any of its Subsidiaries or Parents, as applicable, if on the

date of such cessation the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan immediately. If after such cessation the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate and the Shares covered by such Option will revert to the Plan.

(ii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within twelve (12) months of cessation, or such longer period of time as is specified in the Award Agreement (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement or Section 6(d), as applicable) to the extent the Option is vested on the date of cessation. Unless otherwise provided by the Administrator or set forth in the Award Agreement or other written agreement authorized by the Administrator between the Participant and the Company or any of its Subsidiaries or Parents, as applicable, if on the date of cessation the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan immediately. If after such cessation the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised within twelve (12) months following the Participant's death, or within such longer period of time as is specified in the Award Agreement (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement or Section 6(d), as applicable) to the extent that the Option is vested on the date of death, by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. If the Option is exercised pursuant to this Section 6(f)(iii), Participant's personal representative shall be subject to the terms of this Plan and the Award Agreement, including but not limited to the restrictions on transferability and forfeitability applicable to the Service

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Provider. Unless otherwise provided by the Administrator or set forth in the Award Agreement or other written agreement authorized by the Administrator between the Participant and the Company or any of its Subsidiaries or Parents, as applicable, if at the time of death Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan immediately. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(g) Expiration of Options. Subject to Section 6(d), an Option's Expiration Date will be set forth in the Award Agreement. An Option may expire before its expiration date under the Plan (including pursuant to Sections 6(f), 13, 14, or 17(d)) or under the Award Agreement.

(h) Tolling of Expiration. If exercising an Option prior to its expiration is not permitted because of Applicable Laws, other than the rules of any stock exchange or quotation system on which the Common Stock is listed or quoted, the Option will remain exercisable until 30 days after the first date on which exercise no longer would be prevented by such provisions; *provided, however*, that this tolling of expiration shall not apply if and to the extent the holder of such Option is a United States taxpayer and the tolling would result in a violation of Section 409A such that the Option would be subject to additional taxation or interest under Section 409A. If this would result in the Option remaining exercisable past its Expiration Date, then unless earlier terminated pursuant to Section 14, the Option will remain exercisable only until the end of the later of (x) the first day on which its exercise would not be prevented by Section 20(a) and (y) its Expiration Date.

7. Stock Appreciation Rights.

(a) Stock Appreciation Right Award Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the number of Shares subject to the Stock Appreciation Right, its per share Exercise Price, its Expiration Date, and such other terms and conditions as the Administrator determines.

(b) Exercise Price. The Exercise Price of a Stock Appreciation Right will be determined by the Administrator, provided that in the case of a Stock Appreciation Right granted to a U.S. taxpayer, the Exercise Price will be no less than 100% of the Fair Market Value of a Share on the date of grant.

(c) Payment of Stock Appreciation Right Amount. Payment upon Stock Appreciation Right exercise may be made in cash, in Shares (which, on the date of exercise, have an aggregate Fair Market Value equal to the amount of payment to be made under the Award), or any combination of cash and Shares, with the determination of form of payment made by the Administrator. When a Participant exercises a Stock Appreciation Right, he or she will be entitled to receive a payment from the Company equal to (i) the excess, if any, between the fair market value on the date of exercise over the Exercise Price, *multiplied by* (ii) the number of Shares with respect to which the Stock Appreciation Right is exercised.

(d) Exercise of Stock Appreciation Right. A Stock Appreciation Right is exercised when the Company receives a notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Stock Appreciation Right. Shares issued upon exercise of a Stock Appreciation Right will be issued in the name of the Participant. Until the Shares are issued (as evidenced by the entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to a Stock Appreciation Right, despite the exercise of the Stock Appreciation Right. The Company will issue (or cause to be issued) such Shares promptly after the Stock Appreciation Right is exercised. A Stock Appreciation Right may not be exercised for a fraction of a Share. Exercising a Stock Appreciation Right in any manner will decrease (x) the number of Shares thereafter available under the Stock Appreciation Right by the number of Shares as to which the Stock Appreciation Right is exercised and (y) the number of Shares thereafter available under the Plan by the number of Shares issued upon such exercise.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right's Expiration Date will be set forth in the Award Agreement. A Stock Appreciation Right may expire before its expiration date under the Plan (including pursuant to Sections 13, 14, or 17(c)) or under the Award Agreement. Notwithstanding the foregoing, the rules of Section 6(d) relating to the maximum term and Section 6(f) relating to exercise also will apply to Stock Appreciation Rights.

(f) Tolling of Expiration. If exercising a Stock Appreciation Right prior to its expiration is not permitted because of Applicable Laws, other than the rules of any stock exchange or quotation system on which the Common Stock is listed or quoted, the Stock Appreciation Right will remain exercisable until 30 days after the first date on which exercise no longer would be prevented by such provisions; *provided, however*, that this tolling of expiration shall not apply if and to the extent the holder of such Stock Appreciation Right is a United States taxpayer and the tolling would result in a violation of Section 409A such that the Stock Appreciation Right would be subject to additional

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taxation or interest under Section 409A. If this would result in the Stock Appreciation Right remaining exercisable past its Expiration Date, then unless earlier terminated pursuant to Section 14, the Stock Appreciation Right will remain exercisable only until the end of the later of (x) the first day on which its exercise would not be prevented by Section 20(a) and (y) its Expiration Date.

8. Restricted Stock.

(a) Restricted Stock Award Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the number of Shares subject to the Award of Restricted Stock and such other terms and conditions as the Administrator determines. For the avoidance of doubt, Restricted Stock may be granted without any Period of Restriction (e.g., vested stock bonuses). Unless the Administrator determines otherwise, Shares of Restricted Stock will be held in escrow while unvested.

(b) Restrictions.

(i) Except as provided in this Section 8(b) or the Award Agreement, while unvested, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated.

(ii) While unvested, Service Providers holding Shares of Restricted Stock may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(iii) Service Providers holding a Share covered by an Award of Restricted Stock will not be entitled to receive dividends and other distributions paid with respect to such Shares while such Shares are unvested, unless the Administrator provides otherwise. If the Administrator provides that dividends and distributions will be received and any such dividends or distributions are paid in cash they will be subject to the same provisions regarding forfeitability as the Shares with respect to which they were paid and if such dividend or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and forfeitability as the Shares with respect to which they were paid and, unless the Administrator determines otherwise, the Company will hold such dividends until the restrictions on the Shares with respect to which they were paid have lapsed.

(iv) Except as otherwise provided in this Section 8(b) or an Award Agreement, a Share covered by each Award of Restricted Stock made under the Plan will be released from escrow when practicable after the last day of the applicable Period of Restriction.

(v) The Administrator may impose, prior to grant, or remove any restrictions on Shares covered by an Award of Restricted Stock.

9. Restricted Stock Units.

(a) Restricted Stock Unit Award Agreement. Each Award of Restricted Stock Units will be evidenced by an Award Agreement that will specify the number of Restricted Stock Units subject to the Award of Restricted Stock Units and such other terms and conditions as the Administrator determines.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria, if any, that, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, divisional, business unit, or individual goals (that may include continued employment or service) or any other basis determined by the Administrator in its sole discretion.

(c) Earning Restricted Stock Units. Upon meeting any applicable vesting criteria, the Participant will have earned the Restricted Stock Units and will be paid as determined in Section 9(d). The Administrator may reduce or waive any criteria that must be met to earn the Restricted Stock Units.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made at the time(s) set forth in the Award Agreement and determined by the Administrator. Unless otherwise provided in the Award Agreement, the Administrator may settle earned Restricted Stock Units in cash, Shares, or a combination of both.

10. Performance Awards.

(a) Award Agreement. Each Performance Award will be evidenced by an Award Agreement that will specify the period during which any performance objectives or other vesting provisions, if any, will be measured ("**Performance Period**"), and such other terms and conditions as the Administrator determines.

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(b) Objectives or Vesting Provisions and Other Terms. The Administrator will set objectives or vesting provisions that, depending on the extent to which the objectives or vesting provisions are met, will determine the value of the payout for the Performance Awards. The Administrator may set vesting criteria based upon the achievement of Company-wide, divisional, business unit, or individual goals (that may include continued employment or service) or any other basis determined by the Administrator in its sole discretion.

(c) Form and Timing of Payment. Payment of earned Performance Awards will be made at the time(s) specified in the Award Agreement. Payment with respect to earned Performance Awards will be made in cash, in Shares of equivalent value, or any combination of cash and Shares, with the determination of form of payment made by the Administrator at the time of payment or, in the discretion of the Administrator, at the time of grant.

(d) Value of Performance Awards. Each Performance Award's threshold, target, and maximum payout values will be established by the Administrator on or before the Grant Date.

(e) Earning Performance Awards. After an applicable Performance Period has ended, the holder of a Performance Award will be entitled to receive a payout for the Performance Award earned by the Participant over the Performance Period. The Administrator may reduce or waive any performance objectives or other vesting provisions for such Performance Award.

11. Leaves of Absence, Reduced or Part-Time Work Schedule, Transfer between Locations, and Change of Status.

(a) Leaves of Absence, Reduced or Part-Time Work Schedule, and Transfer between Locations. Unless the Administrator provides otherwise or as otherwise required by Applicable Laws, vesting of Awards granted hereunder will be adjusted or suspended during any unpaid leave of absence in accordance with the Company's leave of absence policy in effect at the time of such leave. In addition, unless the Administrator provides otherwise or as otherwise required by Applicable Laws, if, after the date of grant of a Participant's Award, the Participant commences working on a part-time or reduced work schedule basis, the vesting of such Award will be adjusted in accordance with the Company's reduced work schedule or part-time policy then in effect. Adjustments or suspensions of vesting pursuant to this Section shall be accomplished in a manner that is exempt from or complies with the requirements of Code Section 409A and the regulations and guidance thereunder.

(b) Employment Status. A Participant will not cease to be a Service Provider in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company (or member of the Company Group) or between the Company or any member of the Company Group.

(c) Incentive Stock Options. With respect to Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six (6) months following the first day of such leave any Incentive Stock Option held by a Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

12. **Transferability of Awards.** Unless determined otherwise by the Administrator, or otherwise required by Applicable Laws, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, the Award will be limited by any additional terms and conditions imposed by the Administrator. Any unauthorized transfer of an Award will be void.

13. Adjustments; Dissolution or Liquidation.

(a) Adjustments. If any extraordinary dividend or other extraordinary distribution (whether in cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, reclassification, repurchase, or exchange of Shares or other securities of the Company, other change in the corporate structure of the Company affecting the Shares, or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any of its successors) affecting the Shares occurs (including a Change in Control), the Administrator, to prevent diminution or enlargement of the benefits or potential benefits intended to be provided under the Plan, will adjust the number and class of shares that may be delivered under the Plan and/or the number, class, and price of shares covered by each outstanding Award, and the numerical Share limits in Section 3. Notwithstanding the foregoing, the conversion of any convertible securities of the Company and ordinary course repurchases of Shares or other securities of the Company will not be treated as an event that will require adjustment.

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(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant, at such time prior to the effective date of such proposed transaction as the Administrator determines. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

14. Change in Control or Merger.

(a) Administrator Discretion. If a Change in Control or a merger of the Company with or into another corporation or other entity occurs (each, a “**Transaction**”), each outstanding Award will be treated as the Administrator determines (subject to the provisions of this Section), without a Participant’s consent, including that such Award be continued by the successor corporation or a Parent or Subsidiary of the successor corporation (or an affiliate thereof) or that the vesting of any such Awards may accelerate automatically upon consummation of a Transaction.

(b) Identical Treatment Not Required. The Administrator need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants. The Administrator may take different actions with respect to the vested and unvested portions of an Award. The Administrator will not be required to treat all Awards similarly in the Transaction.

(c) Continuation. An Award will be considered continued if, following the Change in Control or merger:

(i) the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Transaction, the consideration (whether stock, cash, or other securities or property) received in the Transaction by holders of Shares for each Share held on the effective date of the Transaction (and if holders were offered a choice of consideration, the type of consideration received by the holders of a majority of the outstanding Shares) and the Award otherwise is continued in accordance with its terms (including vesting criteria, subject to Section 14(c)(iii) below and Section 13(a); *provided* that if the consideration received in the Transaction is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon exercising an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, or Performance Award, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Transaction; or

(ii) the Award is terminated in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Participant’s rights as of the date of the occurrence of the Transaction. Any such cash or property may be subjected to any escrow applicable to holders of Common Stock in the Change in Control. If as of the date of the occurrence of the Transaction the Administrator determines that no amount would have been attained upon the exercise of such Award or realization of the Participant’s rights, then such Award may be terminated by the Company without payment. The amount of cash or property can be subjected to vesting and paid to the Participant over the original vesting schedule of the Award.

Notwithstanding anything in this Section 14(c) to the contrary, an Award that vests, is earned, or is paid-out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant’s consent, in all cases, unless specifically provided otherwise under the applicable Award Agreement or other written agreement authorized by the Administrator between the Participant and the Company or any of its Subsidiaries or Parents, as applicable; *provided, however*, that a modification to such performance goals only to reflect the successor corporation’s post-Transaction corporate structure will not invalidate an otherwise valid Award assumption.

(d) Modification. The Administrator will have authority to modify Awards in connection with a Change in Control or merger:

(i) in a manner that causes the Awards to lose their tax-preferred status;

(ii) to terminate any right a Participant has to exercise an Option prior to vesting in the Shares subject to the Option (*i.e.*, “early exercise”), so that following the closing of the Transaction the Option may be exercised only to the extent it is vested;

(iii) to reduce the Exercise Price subject to the Award in a manner that is disproportionate to the increase in the number of Shares subject to the Award, as long as the amount that would be received upon exercise of the Award immediately before and immediately following the closing of the Transaction is equivalent and the adjustment complies with U.S. Treasury Regulation Section 1.409A-1(b)(v)(D); and

(iv) to suspend a Participant’s right to exercise an Option during a limited period of time preceding and or following the closing of the Transaction without Participant consent if such suspension is administratively necessary or advisable to permit the closing of the Transaction.

(e) Non-Continuation. If the successor corporation does not continue an Award (or some portion such Award), the Participant will fully vest in (and have the right to exercise) 100% of the then-unvested Shares subject to his or her outstanding Options and Stock Appreciation Rights, all restrictions on 100% of the Participant's outstanding Restricted Stock and Restricted Stock Units will lapse, and, regarding 100% of Participant's outstanding Awards with performance-based vesting, all performance goals or other vesting criteria will be treated as achieved at 100% of target levels and all other terms and conditions met, in all cases, unless specifically provided otherwise under the applicable Award Agreement or other written agreement authorized by the Administrator between the Participant and the Company or any of its Subsidiaries or Parents, as applicable. In no event will vesting of an Award accelerate as to more than 100% of the Award. Unless specifically provided otherwise under the applicable Award Agreement or other written agreement authorized by the Administrator between the Participant and the Company or any of its Subsidiaries or Parents, as applicable, if Options or Stock Appreciation Rights are not continued when a Change in Control or a merger of the Company with or into another corporation or other entity occurs, the Administrator will notify the Participant in writing or electronically that the Participant's vested Options or Stock Appreciation Rights (after considering the foregoing vesting acceleration, if any) will be exercisable for a period of time determined by the Administrator in its sole discretion and all of the Participant's Options or Stock Appreciation Rights will terminate upon the expiration of such period (whether vested or unvested).

15. Outside Director Grants.

(a) Outside Director Acceleration. With respect to Awards granted to an Outside Director, in the event of a Change in Control, the Participant will fully vest in and have the right to exercise outstanding Options and/or Stock Appreciation Rights as to all of the Shares underlying such Award, including those Shares which otherwise would not be vested or exercisable, all restrictions on other outstanding Awards will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels and all other terms and conditions met, unless specifically provided otherwise under the applicable Award Agreement, a Company policy related to Director compensation, or other written agreement authorized by the Administrator between the Participant and the Company or any of its Subsidiaries or Parents, as applicable, that specifically references this default rule.

(b) Outside Director Limits. No Outside Director may be paid, issued, or granted, in any Fiscal Year, cash retainer fees and equity awards (including any Awards issued under this Plan) with an aggregate value greater than \$750,000, increased to \$1,500,000 in connection with his or her initial service (with the value of each equity award based on its grant date fair value (determined in accordance with U.S. generally accepted accounting principles)). Any cash compensation paid or Awards granted to an individual for his or her services as an Employee, or for his or her services as a Consultant (other than as an Outside Director) or as a Platform Worker, will not count for purposes of the limitation under this Section 15(b).

16. Tax Matters.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash under an Award (or exercise thereof) or such earlier time as any Tax Withholding is due, the Company may deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy any Tax Withholding with respect to such Award or Shares subject to an Award (including upon exercise of an Award).

(b) Withholding Arrangements. The Administrator, in its sole discretion and under such procedures as it may specify from time to time, may elect to satisfy such Tax Withholding, in whole or in part (including in combination) by (without limitation) (i) requiring the Participant to pay cash, check, or other cash equivalents, (ii) withholding otherwise deliverable cash (including cash from the sale of Shares issued to the Participant) or Shares having a fair market value equal to the amount required to be withheld or such greater amount (including up to a maximum statutory amount) as the Administrator may determine or permit if such amount does not result in unfavorable financial accounting treatment, as the Administrator determines in its sole discretion, (iii) forcing the sale of Shares issued pursuant to an Award (or exercise thereof) having a fair market value equal to the minimum statutory amount applicable in a Participant's jurisdiction or a greater amount as the Administrator may determine or permit if such greater amount would not result in unfavorable financial accounting treatment, as the Administrator determines in its sole discretion, (iv) requiring the Participant to deliver to the Company already-owned Shares having a fair market value equal to the minimum statutory amount required to be withheld or a greater amount as the Administrator may determine or permit if such greater amount would not result in unfavorable financial accounting treatment, as the Administrator determines in its sole discretion, (v) requiring the Participant to engage in a cashless exercise transaction (whether through a broker or otherwise) implemented by the Company in connection with the Plan, (vi) having the Company or a Parent or Subsidiary of the Company withhold from wages or any other cash amount due or to become due to the Participant and payable by the Company or any Parent or Subsidiary of the Company, or (vii) such other consideration and method of payment for the meeting of Tax Withholding as the Administrator may determine to the extent permitted by Applicable Laws, *provided* that, in all instances, the satisfaction of the Tax

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Withholding will not result in any adverse accounting consequence to the Company, as the Administrator may determine in its sole discretion. The fair market value of the Shares to be withheld or delivered will be determined as of the date the amount of tax to be withheld is calculated or such other date as Administrator determines is applicable or appropriate with respect to the Tax Withholding calculation.

(c) Compliance With Code Section 409A. Unless the Administrator determines that compliance with Code Section 409A is not necessary, it is intended that Awards will be designed and operated so that they are either exempt or excepted from the application of Code Section 409A or comply with any requirements necessary to avoid the imposition of additional tax under Code Section 409A(a)(1)(B) so that the grant, payment, settlement, or deferral will not be subject to the additional tax or interest applicable under Code Section 409A and the Plan and each Award Agreement will be interpreted consistent with this intent. This Section 16(c) is not a guarantee to any Participant of the consequences of his or her Awards. In no event will the Company have any responsibility, liability or obligation to reimburse, indemnify, or hold harmless Participant for any taxes that may be imposed or other costs that may be incurred, as a result of Section 409A.

17. Other Terms.

(a) No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right regarding continuing the Participant's relationship as a Service Provider with the Company or member of the Company Group, nor will they interfere with the Participant's right, or the Participant's employer's right, to terminate such relationship at any time free from any liability or claim under the Plan.

(b) Interpretation and Rules of Construction. The words "include," "includes," and "including" when used herein shall be deemed in each case to be followed by the words "without limitation."

(c) Plan Governs. In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of any Grant Agreement, the terms and conditions of the Plan will prevail.

(d) Forfeiture Events.

(i) All Awards granted under the Plan will be subject to recoupment under any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Laws. In addition, the Administrator may impose such other clawback, recovery, or recoupment provisions in an Award Agreement as the Administrator determines necessary or appropriate, including without limitation to any reacquisition right regarding previously acquired Shares or other cash or property. Unless this Section 17(d)(i) is specifically mentioned and waived in an Award Agreement or other document, no recovery of compensation under a clawback policy or otherwise will be an event that triggers or contributes to any right of a Participant to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company or a member of the Company Group.

(ii) The Administrator may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award will be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but will not be limited to, termination of such Participant's status as Service Provider for cause or any specified action or inaction by a Participant that would constitute cause for termination of such Participant's status as a Service Provider.

18. Term of Plan. Subject to Section 21, the Plan will become effective upon the business day immediately prior to the Registration Date. It will continue in effect until terminated under Section 19, but no Incentive Stock Options may be granted after ten (10) years from the date the Plan is adopted by the Board and Section 3(a)(iii) will operate only until the tenth (10th) anniversary of the date the Plan is adopted by the Board.

19. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Administrator, in its sole discretion, may amend, alter, suspend, or terminate the Plan or any part thereof, at any time and for any reason.

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent necessary or desirable to comply with Applicable Laws.

(c) Consent of Participants Generally Required. Subject to Section 19(d) below, no amendment, alteration, suspension, or termination of the Plan or an Award under it will materially impair the rights of any Participant

without a signed, written agreement authorized by the Administrator between the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it regarding Awards granted under the Plan prior to such termination.

(d) **Exceptions to Consent Requirement.** A Participant's rights will not be deemed to have been impaired by any amendment, alteration, suspension, or termination if the Administrator, in its sole discretion, determines that the amendment, alteration, suspension, or termination taken as a whole does not materially impair the Participant's rights. Subject to any limitations of Applicable Laws, the Administrator may amend the terms of any one or more Awards without the affected Participant's consent even if it does materially impair the Participant's rights if such amendment is done (i) in a manner specified by the Plan, (ii) to maintain the qualified status of the Award as an Incentive Stock Option under Code Section 422, (iii) to change the terms of an Incentive Stock Option, if such change results in impairment of the Award only because it impairs the qualified status of the Award as an Incentive Stock Option under Code Section 422, (iv) to clarify the manner of exemption from Code Section 409A or compliance with any requirements necessary to avoid the imposition of additional tax or interest under Code Section 409A(a)(1)(B), or (v) to comply with other Applicable Laws.

20. Conditions Upon Issuance of Shares.

(a) **Legal Compliance.** The Company will make good faith efforts to comply with all Applicable Laws related to the issuance of Shares. Shares will not be issued pursuant to an Award, including without limitation upon exercise or vesting thereof, as applicable, unless the issuance and delivery of such Shares and exercise or vesting of the Award, as applicable, will comply with Applicable Laws. If required by the Administrator, issuance will be further subject to the approval of counsel for the Company with respect to such compliance. If the Company determines it to be impossible or impractical to obtain authority from any regulatory body having jurisdiction or to complete or comply with the requirements of any Applicable Laws, registration or other qualification of the Shares under any state, federal or foreign law or under the rules and regulations of the U.S. Securities and Exchange Commission, the stock exchange on which Shares of the same class are then listed, or any other governmental or regulatory body, which authority, registration, qualification or rule compliance is deemed by the Company's counsel to be necessary or advisable for the issuance and sale of any Shares hereunder, the Company will be relieved of any liability regarding the failure to issue or sell such Shares as to which such authority, registration, qualification or rule compliance was not obtained and the Administrator reserves the authority, without the consent of a Participant, to terminate or cancel Awards with or without consideration in such a situation.

(b) **Investment Representations.** As a condition to the exercise or vesting of an Award, the Company may require the person exercising such Award to represent and warrant during any such exercise or vesting that the Shares are being purchased only for investment and with no present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

(c) **Failure to Accept Award.** If a Participant has not accepted an Award to the extent such acceptance has been requested or required by the Company or has not taken all administrative and other steps (*e.g.*, setting up an account with a broker designated by the Company) necessary for the Company to issue Shares upon the vesting, exercise, or settlement of the Award prior to the first date the Shares subject to such Award are scheduled to vest, then the portion of the Award scheduled to vest on such date will be cancelled on such date and such Shares subject to the Award immediately will revert to the Plan for no additional consideration unless otherwise provided by the Administrator.

21. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

**UDEMY, INC.
2021 EQUITY INCENTIVE PLAN
NOTICE OF RESTRICTED STOCK UNIT AWARD AND
RESTRICTED STOCK UNIT AGREEMENT**

Capitalized terms that are not defined in this Notice of Restricted Stock Unit Award and Restricted Stock Unit Agreement (the "**Notice of Grant**"), the Terms and Conditions of Restricted Stock Unit Award attached hereto as Exhibit A, the Country Addendum attached hereto as Exhibit B, and all other exhibits to these documents (all together, this "**Agreement**") have the meanings given to them in the Udemey, Inc. 2021 Equity Incentive Plan (the "**Plan**").

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The Participant has been granted this Restricted Stock Unit (“**RSU**”) award according to the terms below and subject to the terms and conditions of the Plan and this Agreement, as follows:

Participant

Participant I.D.

Grant Number

Grant Date

Vesting Commencement Date

Number of RSUs Granted

Vesting Schedule:

Subject to the acceleration of vesting provisions herein or in any agreement between the Participant and the Company, the RSUs subject to this Agreement will vest as follows:

As set forth in Equity Edge

If the Participant ceases to be a Service Provider for any or no reason before the Participant fully vests in these RSUs, the unvested RSUs will terminate according to the terms of Section 5 of this Agreement.

The Participant’s signature below (or Participant’s electronic signature or other electronic acknowledgement or acceptance of this Agreement or Award) indicates that:

- (i) The Participant agrees that this Restricted Stock Unit award is granted under and governed by the terms and conditions of the Plan and this Agreement, including their exhibits and appendices.
- (ii) The Participant understands that the Company is not providing any tax, legal, or financial advice and is not making any recommendations regarding the Participant’s participation in the Plan or the Participant’s acquisition or sale of Shares.
- (iii) The Participant has reviewed the Plan and this Agreement, has had an opportunity to obtain the advice of personal tax, legal, and financial advisors prior to signing this Agreement, and fully understands all provisions of the Plan and Agreement. The Participant will consult with the Participant’s own personal tax, legal, and financial advisors before taking any action related to the Plan.
- (iv) The Participant has read and agrees to each provision of Section 9 of this Agreement.
- (v) The Participant will notify the Company of any change to the contact address below.
- (vi) The Participant acknowledges and agrees that unless otherwise required to comply with Applicable Laws, these RSUs will be subject to recoupment under any clawback policy that the Company adopts pursuant to Section 17(d) of the Plan.

PARTICIPANT

Signature

Address: _____

EXHIBIT A
TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT AWARD

1. **Grant.** The Company grants the Participant an award of RSUs as described in the Notice of Grant. If there is a conflict between the Plan, this Agreement, or any other agreement with the Participant governing these RSUs, those documents will take precedence and prevail in the following order: (a) the Plan, (b) the Agreement, and (c) any other agreement between the Company and the Participant governing these RSUs.
2. **Company's Obligation to Pay.** Each RSU is a right to receive a Share or, in the sole discretion of the Administrator, an amount in cash equal to the Fair Market Value of one Share, on the date it vests. Until an RSU vests, the Participant has no right to payment of the Share. Before a vested RSU is paid, the RSU is an unsecured obligation of the Company, payable (if at all) only from the Company's general assets. A vested RSU will be paid to the Participant (or in the event of the Participant's death, to the Participant's estate or such other person as specified in Section 6 below) in whole Shares or cash. Subject to the provisions of Section 4(b) and notwithstanding anything in the Plan to the contrary, each vested RSU that has met all requirements for settlement under this Agreement (including with respect to RSUs that the Administrator determines will be settled in cash) will be settled no later than the applicable Settlement Deadline. "**Settlement Deadline**" with respect to a particular vested RSU means as soon as practicable after vesting (but no later than sixty (60) days following the vesting date (or, if earlier, no later than March 15 of the calendar year following the calendar year in which occurs the first date on which the applicable RSU is no longer subject to a substantial risk of forfeiture for purposes of Section 409A)). If any RSU has not met all the requirements for settlement under this Agreement in a manner that would allow it to be settled by the applicable Settlement Deadline, such RSU will be forfeited as of immediately following the applicable Settlement Deadline. In no event will Participant be permitted, directly or indirectly, to specify the taxable year or date of settlement of any RSUs under this Agreement. For the avoidance of doubt, there may be multiple Settlement Deadlines, with each such Settlement Deadline corresponding to a particular RSU.
3. **Vesting.** These RSUs will vest only under the Vesting Schedule in the Notice of Grant, Section 4 of this Agreement, or Section 13 of the Plan. RSUs scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest unless the Participant continues to be a Service Provider until the time such vesting is scheduled to occur.
4. **Acceleration; Amendment.**
 - (a) **Discretionary Acceleration or Amendment.** The Administrator may, pursuant to its authority under, and in accordance with, Section 4(b)(v), Section 4(b)(ix), Section 4(b)(xiv), and Section 9(c) of the Plan, in its discretion, unilaterally (x) accelerate, in whole or in part, the vesting of these RSUs, (y) waive or decrease some or all of the requirements for vesting of unvested RSUs at any time, or (z) waive or decrease some or all of the requirements for settlement of RSUs at any time, in each case, subject to the terms of the Plan but without the need for Participant consent in any instance, and subject to Section 13(j) of this Agreement; *provided, however*, that no such acceleration, waiver, or decrease shall occur or be effective unless such modification would result in this RSU award remaining exempt or excepted from the requirements of Code Section 409A pursuant to the "short-term deferral" exception or another exception or exemption under Code Section 409A, or otherwise complying with Code Section 409A, in each case such that none of this Agreement, the RSUs provided under this Agreement, or Shares issuable hereunder will be subject to the additional tax imposed under Code Section 409A. If so modified, the vesting date with respect to the applicable RSUs will be deemed for all purposes of this Agreement to be the date specified by the Administrator (*provided*, that, for purposes of determining the applicable settlement deadline under Section 1 of this Agreement with respect to such RSUs, the vesting date will be deemed to be no later than the first date on which the RSUs are no longer subject to a substantial risk of forfeiture for purposes of Code Section 409A). The settlement of RSUs through Shares pursuant to this Section 4(a) shall in all cases be no later than the applicable settlement deadline as set forth in Section 1 of this Agreement and at a time or in a manner that is exempt from, or complies with, Code Section 409A. The prior sentence may be superseded in a future agreement or amendment to this Agreement only by direct and specific reference to such sentence.
 - (b) The Company's intent is that this RSU award be exempt or excepted from the requirements of Code Section 409A. However, in an abundance of caution, the Company is including in this subsection certain Code Section 409A rules that only apply if these RSUs are not exempt or excepted, and then only in certain circumstances. Specifically, Code Section 409A contains rules that must apply to these RSUs if (i) they are not exempt or excepted from Code Section 409A, (ii) the Company has any stock that is publicly traded on an established securities market or otherwise at the time Participant's service terminates, (iii) Participant receives acceleration of vesting of these RSUs in connection with a termination of service, and (iv) at the time of such termination, Participant is considered a "specified employee" under the Code Section 409A rules. Should these rules ever become applicable to Participant's RSUs, then notwithstanding anything in the Plan, this Agreement or any other agreement (whether entered into before, on, or after the Grant Date) to the contrary, if the vesting of these RSUs is accelerated in connection with

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Participant's termination as a Service Provider (*provided* that such termination is a "separation from service" within the meaning of Code Section 409A, as determined by the Company), other than due to Participant's death, and if (x) Participant is a U.S. taxpayer and a "specified employee" within the meaning of Code Section 409A at the time of such termination as a Service Provider and (y) the settlement of such accelerated RSUs will result in the imposition of additional tax under Code Section 409A if such settlement is on or within the six (6) month period following Participant's termination as a Service Provider, then the settlement of such accelerated RSUs will not occur until the date six (6) months and one (1) day following the date of Participant's termination as a Service Provider, unless the Participant dies following the Participant's termination as a Service Provider, in which case, the Shares subject to these RSUs will be settled and issued to the Participant's administrator or executor of the Participant's estate as soon as practicable following the Participant's death (subject to Section 6).

5. Forfeiture upon Cessation of Status as a Service Provider. Upon the Participant's termination as a Service Provider for any reason other than death, these RSUs will immediately stop vesting and any of these RSUs that have not yet vested will be forfeited by the Participant for no consideration upon the date that Participant ceases to be a Service Provider for any reason, in all cases, subject to Applicable Laws. Upon the Participant's termination as a Service Provider due to the Participant's death, these RSUs will immediately stop vesting and, on the thirtieth (30th) day following the date of the Participant's death, any of these RSUs that have not yet vested will be forfeited by the Participant for no consideration, in all cases, subject to Applicable Laws. For the avoidance of doubt, service during any portion of the vesting period shall not entitle the Participant to vest in a pro rata portion of unvested RSUs. For purposes of the RSUs, the Participant's status as a Service Provider will be considered to be terminated as of the date the Participant is no longer providing services to the Company, or if different, the Participant's employer (the "**Employer**") or the Subsidiary or Parent to which the Participant is providing services (the Employer, Subsidiary, or Parent, as applicable, the "**Service Recipient**") or other member of the Company Group (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is a Service Provider or the terms of the Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Agreement or determined by the Administrator, the Participant's right to vest in the RSUs under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, the Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is a Service Provider or the terms of the Participant's employment or service agreement, if any). The Administrator shall have the exclusive discretion to determine when the Participant is no longer providing services for purposes of the RSUs (including whether the Participant may still be considered to be providing services while on a leave of absence).

6. Death of Participant. Any distribution or delivery to be made to the Participant under this Agreement will, if the Participant is then deceased, be made to the administrator or executor of the Participant's estate or, if the Administrator permits, the Participant's designated beneficiary, unless otherwise required to comply with Applicable Laws. Any such transferee must furnish the Company with (a) written notice of the Participant's status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations that apply to the transfer.

7. Tax Obligations.

(a) Tax Withholding.

(i) No Shares will be issued to the Participant until the Participant makes satisfactory arrangements (as determined by the Administrator) for the payment of Tax Withholdings. If the Participant is a non-U.S. employee, the method of payment of Tax Withholdings may be restricted by any Country Addendum (as defined below). If the Participant fails to make satisfactory arrangements for the payment of any Tax Withholdings under this Agreement when any of these RSUs otherwise are supposed to vest or Tax Withholdings related to RSUs otherwise are due, the Participant will permanently forfeit the applicable RSUs and any right to receive Shares under such RSUs, and such RSUs will be returned to the Company at no cost to the Company, to the extent permitted by Applicable Laws.

(ii) The Company has the right (but not the obligation) to satisfy any Tax Withholdings by withholding from proceeds of a sale of Shares acquired upon payment of these RSUs arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent), and this will be the method by which such tax withholding obligations are satisfied until the Company determines otherwise, subject to Applicable Laws.

(iii) The Company also has the right (but not the obligation) to satisfy any Tax Withholdings: (A) by reducing the number of Shares otherwise deliverable to the Participant; (B) by requiring payment by cash or check made payable to the Company and/or any Service Recipient with respect to which the withholding obligation arises; (C) by deduction of such amount from salary, wages or other compensation payable to the Participant; or (D) in any

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combination of the foregoing, or any other method determined by the Administrator to be compliance with Applicable Laws.

(iv) The Company may withhold or account for Tax Withholdings by considering statutory or other withholding rates, including minimum or maximum rates applicable in the Participant's jurisdiction(s). In the event of over-withholding, the Participant may receive a refund of any over-withheld amount in cash (with no entitlement to the equivalent in Common Stock), or if not refunded, the Participant may seek a refund from the local tax authorities. In the event of under-withholding, the Participant may be required to pay any additional Tax Withholdings directly to the applicable tax authority or to the Company and/or the Employer(s). If the obligation for Tax Withholdings is satisfied by withholding in Shares, for tax purposes, the Participant will be deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares is held back solely for the purpose of paying the Tax Withholdings.

(v) Further, if the Participant is subject to taxation in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, the Company or the Employer(s) or former Employer(s) may withhold or account for tax in more than one jurisdiction.

(vi) Regardless of any action of the Company or the Employer(s), the Participant acknowledges that the ultimate liability for all Tax Withholdings and any and all additional taxes related to the Award, the Shares, or other amounts or property delivered under the Award and the Participant's participation in the Plan is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer(s). The Participant further acknowledges that the Company and the Employer(s) (A) make no representations or undertakings regarding the treatment of any Tax Withholdings in connection with any aspect of these RSUs and (B) do not commit to and are under no obligation to structure the terms of the grant or any aspect of these RSUs to reduce or eliminate the Participant's liability for Tax Withholdings or achieve any particular tax result.

(b) Code Section 409A. It is the intent of this Agreement that it and all issuances and benefits to U.S. taxpayers hereunder be exempt or excepted from the requirements of Code Section 409A pursuant to the "short-term deferral" exception under Code Section 409A, or otherwise be exempt or excepted from, or comply with, Code Section 409A, so that none of this Agreement, the RSUs provided under this Agreement, or Shares issuable thereunder will be subject to the additional tax imposed under Code Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or excepted, or to so comply. Each issuance upon settlement of the RSUs under this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). In no event will any member of the Company Group have any liability or obligation to reimburse, indemnify, or hold harmless Participant for any taxes that may be imposed, or other costs incurred, on Participant as a result of Code Section 409A.

8. Rights as Stockholder. The Participant's or any other person's rights as a stockholder of the Company (including the right to vote and to receive dividends and distributions) will not begin until Shares have been issued and recorded on the records of the Company or its transfer agents or registrars.

9. Acknowledgements and Agreements. The Participant's signature on the Notice of Grant accepting these RSUs indicates that:

(a) THE PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THESE RSUS IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AND THAT BEING HIRED OR BEING GRANTED THESE RSUS WILL NOT RESULT IN VESTING.

(b) THE PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THESE RSUS AND THIS AGREEMENT DO NOT CREATE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL AND WILL NOT INTERFERE IN ANY WAY WITH THE PARTICIPANT'S RIGHT OR THE RIGHT OF THE EMPLOYER(S) TO TERMINATE THE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE, SUBJECT TO APPLICABLE LAWS.

(c) The Participant agrees that this Agreement and its incorporated documents reflect all agreements on its subject matters and that the Participant is not accepting this Agreement based on any promises, representations, or inducements other than those reflected in the Agreement.

(d) The Participant agrees that the Company's delivery of any documents related to the Plan or these RSUs (including the Plan, the Agreement, the Plan's prospectus, and any reports of the Company provided generally to the Company's stockholders) to the Participant may be made by electronic delivery, which may include but does not necessarily include the delivery of a link to a Company intranet or to the Internet site of a third party involved in

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administering the Plan, the delivery of the document via email, or any other means of electronic delivery specified by the Company. If the attempted electronic delivery of such documents fails, the Participant will be provided with a paper copy of the documents. The Participant acknowledges that the Participant may receive from the Company a paper copy of any documents that were delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant may revoke the Participant's consent to the electronic delivery of documents or may change the email address to which such documents are to be delivered (if the Participant has provided an email address) at any time by notifying the Company of such revoked consent or revised email address by telephone, postal service, or email. Finally, the Participant understands that the Participant is not required to consent to electronic delivery of documents.

(e) The Participant may deliver any documents related to the Plan or these RSUs to the Company by email or any other means of electronic delivery approved by the Administrator, but the Participant must provide the Company or any designated third party administrator with a paper copy of any documents if the Participant's attempted electronic delivery of such documents fails.

(f) The Participant accepts that all good faith decisions or interpretations of the Administrator regarding the Plan and Awards under the Plan are binding, conclusive, and final. No member of the Administrator will be personally liable for any such decisions or interpretations.

(g) The Participant agrees that the Plan is established voluntarily by the Company, is discretionary in nature, and may be amended, suspended, or terminated by the Company at any time, to the extent permitted by the Plan.

(h) The Participant agrees that the grant of these RSUs is exceptional, voluntary, and occasional and does not create any contractual or other right to receive future grants of restricted stock units or benefits in lieu of restricted stock units, even if restricted stock units have been granted in the past.

(i) The Participant agrees that any decisions regarding future Awards will be in the Company's sole discretion.

(j) The Participant agrees that the Participant is voluntarily participating in the Plan.

(k) The Participant agrees that these RSUs and any Shares acquired under these RSUs, and the income from and value of same, are not intended to replace any pension rights or compensation.

(l) The Participant agrees that these RSUs, any Shares acquired under these RSUs, and the income from and value of same, are not part of normal or expected compensation for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits, or similar payments.

(m) The Participant agrees that the future value of the Shares underlying these RSUs is unknown, indeterminable, and cannot be predicted with certainty.

(n) The Participant agrees that no member of the Company Group is liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of these RSUs or of any amounts due to the Participant from the payment of these RSUs or the subsequent sale of any Shares acquired upon such payment.

(o) Unless otherwise provided in the Plan or by the Administrator in its discretion, the RSUs and the benefits evidenced in this Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out, or substituted for, in connection with any corporate transaction affecting the Shares.

(p) The Participant agrees that the Participant has no claim or entitlement to compensation or damages from any forfeiture of these RSUs resulting from the termination of the Participant's status as a Service Provider (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is a Service Provider or the terms of the Participant's service agreement, if any).

10. Data Privacy.

(a) The Participant voluntarily, explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other Award materials ("Data") by and among, as applicable, the Employer(s), the Company, and any member of the Company

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Group for the exclusive purpose of implementing, administering, and managing the Participant's participation in the Plan.

(b) The Participant understands that the Company and the Service Recipient(s) may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all equity awards, or any other entitlement to stock awarded, canceled, vested, unvested, or outstanding in the Participant's favor, for the exclusive purpose of implementing, administering, and managing the Plan.

(c) The Participant understands that Data will be transferred to one or more stock plan service provider(s) selected by the Company, which may assist the Company with the implementation, administration, and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant understands that if the Participant resides outside the United States, the Participant may request a list with the names and addresses of any potential recipients of the Data by contacting the Participant's local human resources representative. The Participant authorizes the Company and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering, and managing the Plan to receive, possess, use, retain, and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering, and managing the Participant's participation in the Plan.

(d) The Participant understands that Data may be transferred to a stock plan service provider, as may be selected by the Company in the future, assisting the Company with the implementation, administration, and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant authorizes the Company, any stock plan service provider selected by the Company, and any other possible recipients which may assist the Company (presently or in the future), including but not limited to E*TRADE Financial Corporate Services, Inc., Equity Plan Solutions, LLC, and eShares, Inc. DBA Carta, Inc., with implementing, administering, and managing the Plan to receive, possess, use, retain, and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering, and managing the Participant's participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer, and manage the Participant's participation in the Plan. The Participant understands that if the Participant resides in certain jurisdictions outside the United States, to the extent required by Applicable Laws, the Participant may, at any time, request a list with the names and addresses of any potential recipients of the Data by contacting the Company and/or access to Data, request additional information about the storage and processing of Data, require any necessary amendments to Data, or refuse or withdraw the consents given by accepting these RSUs, in any case without cost, by contacting in writing the Participant's local human resources representative. Further, the Participant understands that the Participant is providing these consents on a purely voluntary basis. If the Participant does not consent or if the Participant later seeks to revoke the Participant's consent, the Participant's engagement as a Service Provider with the Service Recipient(s) will not be adversely affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company will not be able to grant the Participant awards under the Plan or administer or maintain awards. Therefore, the Participant understands that refusing or withdrawing the Participant's consent may affect the Participant's ability to participate in the Plan (including the right to retain these RSUs). The Participant understands that the Participant may contact the Participant's local human resources representative for more information on the consequences of the Participant's refusal to consent or withdrawal of consent.

11. Insider Trading Restrictions/Market Abuse Laws. The Participant acknowledges that the Participant may be subject to insider trading restrictions and market abuse laws in applicable jurisdictions including, but not limited to, the United States and the Participant's country of residence, which may affect the Participant's ability to acquire or sell Shares or rights to Shares (e.g., RSUs) under the Plan during such time as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. The Participant should keep in mind that the term "third parties" includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. The Participant is responsible for ensuring compliance with any applicable restrictions and should consult with the Participant's personal legal advisor on this matter.

12. Foreign Asset/Account Reporting Requirements. Depending on the Participant's country, the Participant may be subject to foreign asset/account, exchange control, and/or tax reporting requirements as a result of the vesting of the RSUs, the acquisition, holding, and/or transfer of Shares or cash resulting from participation in the Plan and/or

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the opening and maintaining of a brokerage or bank account in connection with the Plan. The Participant may be required to report such assets, accounts, account balances and values, and/or related transactions to the applicable authorities in the Participant's country. The Participant may also be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to the Participant's country through a designated bank or broker and/or within a certain time after receipt. The Participant acknowledges that the Participant is responsible for ensuring compliance with any applicable foreign asset/account, exchange control, and tax reporting and other requirements. The Participant further understands that the Participant should consult the Participant's personal tax and legal advisors, as applicable on these matters.

13. Miscellaneous.

(a) Address for Notices. Any notice to be given to the Company under the terms of this Agreement must be addressed to the Company at Udemy, Inc., 600 Harrison Street, 3rd Floor, San Francisco, California 94107, USA, Attn.: General Counsel, until the Company designates another address in writing.

(b) Non-Transferability of RSUs. These RSUs may not be transferred other than by will or the applicable laws of descent or distribution.

(c) Binding Agreement. If any RSUs are transferred, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors, and assigns of the parties to this Agreement.

(d) Additional Conditions to Issuance of Stock. If at any time the Company determines, in its discretion, that the listing, registration, qualification, or rule compliance of the Shares upon any securities exchange or under any U.S. or non-U.S. federal, state, or local law, the tax Code and related regulations, or under the rulings or regulations of the United States Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent, or approval of the United States Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent, or approval will have been completed, effected, or obtained free of any conditions not acceptable to the Company. If any such listing, registration, qualification, rule compliance, clearance, consent, or approval has not been completed by the applicable Settlement Deadline with respect to a Restricted Stock Unit in a manner that would allow it to be settled by the applicable Settlement Deadline, such Restricted Stock Unit will be forfeited as of immediately following the Settlement Deadline for no consideration and at no cost to the Company. Subject to the terms of this Agreement and the Plan, the Company shall not be required to issue any certificate or certificates for Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of a Restricted Stock Unit as the Administrator may establish from time to time for reasons of administrative convenience and any such certificate may be in book entry form.

(e) Captions. Captions provided in this Agreement are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

(f) Agreement Severable. If any provision of this Agreement is held invalid or unenforceable, that provision will be severed from the remaining provisions of this Agreement and the invalidity or unenforceability will have no effect on the remainder of the Agreement.

(g) Country Addendum. These RSUs are subject to any special terms and conditions set forth in Exhibit B to this Agreement for any country whose laws are applicable to the Participant and this RSU Award (as determined by the Company in its sole discretion) (the "**Country Addendum**"). If the Participant relocates to a country included in the Country Addendum, the special terms and conditions for that country will apply to the Participant to the extent the Company determines that applying such terms and conditions is necessary or advisable for legal or administrative reasons.

(h) Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing; *provided, however*, that no such imposition of other requirements shall occur or be effective unless such imposition would result in these RSUs remaining exempt or excepted from the requirements of Code Section 409A pursuant to the "short-term deferral" exception or another exception or exemption under Code Section 409A, or otherwise complying with Code Section 409A, in each case such that none of this Agreement, the RSUs provided under this Agreement, or Shares, cash or other property issuable hereunder will be subject to the additional tax imposed under Code Section 409A.

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(i) Choice of Law; Choice of Forum. The Plan, this Agreement, these RSUs, and all determinations made and actions taken under the Plan, to the extent not otherwise governed by the laws of the United States, will be governed by the laws of the State of Delaware without giving effect to principles of conflicts of law. For purposes of litigating any dispute that arises under the Plan, the Participant's acceptance of these RSUs is the Participant's consent to the jurisdiction of the State of Delaware and the Participant's agreement that any such litigation will be conducted in the Delaware Court of Chancery or the federal courts for the United States for the District of Delaware and no other courts, regardless of where the Participant is performing services.

(j) Modifications to the Agreement. The Plan and this Agreement constitute the entire understanding of the parties on the subjects covered. The Participant expressly warrants that the Participant is not accepting this Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything in the Plan or this Agreement to the contrary, but subject to Section 13(h), the Administrator may, without the consent of the Participant, modify this Agreement in any of the following manners: (i) take any action permitted by Section 4 of this Agreement, including to waive or decrease, in whole or in part, some or all of the requirements required for vesting of all or a portion of the unvested RSUs; or (ii) waive or decrease some or all of the requirements for settlement of RSUs. The Company reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without the consent of the Participant, to comply with Code Section 409A, to otherwise avoid imposition of any additional tax or income recognition under Code Section 409A in connection with these RSUs, or to comply with other Applicable Laws.

(k) Waiver. The Participant acknowledges that a waiver by the Company of a breach of any provision of this Agreement will not operate or be construed as a waiver of any other provision of this Agreement or of any subsequent breach of this Agreement by the Participant.

(l) Language. The Participant acknowledges that the Participant is sufficiently proficient in English, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Participant to understand the terms of this Agreement. If Participant has received this Agreement, or any other document related to these RSUs and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

EXHIBIT B

COUNTRY ADDENDUM TO RESTRICTED STOCK UNIT AGREEMENT

Terms and Conditions

This Country Addendum to Restricted Stock Unit Agreement (the "*Country Addendum*") includes additional terms and conditions that govern these RSUs granted to the Participant under the Plan if the Participant resides and/or works in one of the countries listed below on the Grant Date or the Participant moves to one of the listed countries. Unless otherwise defined herein, capitalized terms used but not defined herein shall have the same meanings as set forth in the Plan and the Agreement.

If the Participant is a citizen or resident of a country (or if the Participant is considered as such for local law purposes) other than the one in which the Participant is currently residing and/or working, or if the Participant transfers to another country after being granted the RSUs, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to the Participant.

Notifications

This Country Addendum may also include information regarding securities laws, exchange controls, and certain other issues of which the Participant should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, and other Applicable Laws in effect in the respective countries as of August 2021. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Country Addendum as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the Participant vests in or sells the Shares acquired under the Plan.

In addition, the information contained in this Country Addendum is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of a particular result.

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The Participant is advised to seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to the Participant's situation.

Finally, if the Participant is a citizen or resident of a country other than the one in which the Participant is currently residing and/or working, transfers employment after these RSUs are granted, or is considered a resident of another country for local law purposes, the information in this Country Addendum may not apply to the Participant in the same manner, and the Administrator will determine to what extent the terms and conditions in this Country Addendum apply.

The Participant acknowledges that the Participant has been advised to seek appropriate professional advice as to how the relevant exchange control and tax laws in the Participant's country may apply to the Participant's individual situation.

I. GLOBAL PROVISIONS APPLICABLE TO PARTICIPANTS IN ALL COUNTRIES OTHER THAN THE UNITED STATES

1. Foreign Exchange Considerations. The Participant understands and agrees that neither the Company nor any Parent, Subsidiary or employer shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the U.S. dollar that may affect the value of the RSUs, or of any amounts due to the Participant under the Plan or as a result of vesting in the RSUs and/or the subsequent sale of any Shares acquired under the Plan. The Participant agrees and acknowledges that the Participant will bear any and all risk associated with the exchange or fluctuation of currency associated with the Participant's participation in the Plan. The Participant acknowledges and agrees that the Participant may be responsible for reporting inbound transactions or fund transfers that exceed a certain amount. The Participant is advised to seek appropriate professional advice as to how the exchange control regulations apply to the RSUs and the Participant's specific situation and understands that the relevant laws and regulations can change frequently and occasionally on a retroactive basis.

2. Tax Withholding Considerations. The Participant acknowledges and agrees that Tax Withholdings includes any or all income tax, social security, social insurances, national insurance contributions, social insurance contributions, payroll tax, fringe benefit, or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant including, without limitation, in connection with the grant of the RSUs, the acquisition or sale of Shares acquired under the Plan and/or the receipt of any dividends on such Shares.

Prior to any tax withholding event, the Participant agrees to make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or any Parent, Subsidiary, affiliate, employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax Withholdings by one or a combination of the methods set forth in Section 7 of the Agreement.

3. Nature of Grant. In accepting the RSUs, the Participant acknowledges, understands, and agrees that:

(a) the RSU grant and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or services contract with the Company, or any Parent, Subsidiary, affiliate, or employer and shall not interfere with the ability of the Company, the employer or any Parent, Subsidiary, affiliate, or employer, as applicable, to terminate the Participant's employment or service relationship (if any);

(b) for purposes of the RSUs, the Participant's status as a Service Provider, including service contracted through a professional employment organization, will be considered terminated as of the date the Participant is no longer actively providing services to the Company or any Parent, Subsidiary, or affiliate (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is a Service Provider or the terms of the Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, the Participant's right to vest in the RSUs under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, the Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is a Service Provider or the terms of the Participant's employment or service agreement, if any, unless the Participant is providing bona fide services during such time). The Administrator will have the exclusive discretion to determine when the Participant is no longer actively providing services for purposes of this RSU grant, including whether the Participant may still be considered to be providing services while on a leave of absence and consistent with local law); and

(c) no claim or entitlement to compensation or damages will arise from forfeiture of the RSUs resulting from the termination of the Participant's status as a Service Provider (for any reason whatsoever, whether or not later found to

Exhibit 10.1

be invalid or in breach of employment laws in the jurisdiction where the Participant is a Service Provider or the terms of the Participant's employment or service agreement, if any), and in consideration of the grant of the RSUs to which the Participant is otherwise not entitled, the Participant irrevocably agrees never to institute any claim against the Company or any Parent, Subsidiary, or affiliate, waives the Participant's ability, if any, to bring any such claim, and releases each of the Company or any Parent, Subsidiary, or affiliate from any such claim. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant will be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

4. Professional Employment Organizations. Each Participant, including a Participant engaged through a third-party professional employment organization, is an individual Service Provider. A professional employment organization will not be considered a Service Provider for purposes of this Agreement.

II. COUNTRY SPECIFIC PROVISIONS APPLICABLE TO PARTICIPANTS WHO PROVIDE SERVICES IN THE IDENTIFIED COUNTRIES

Australia

General Advice Only. Any advice given by the Company or its affiliates, Parent, or Subsidiaries in relation to the RSUs granted under the Plan does not take into account the objectives, financial situation, and needs of Participants in Australia to whom RSUs are granted ("**Australian Participants**"). Australian Participants should consider obtaining their own financial product advice from an independent person who is licensed by the Australian Securities & Investments Commission ("**ASIC**") to give such advice.

Acquisition Price. No acquisition price is payable by Australian Participants for the Company to grant the Participant the number of RSUs set forth in the Notice of Grant.

Risks of Acquiring Shares. Investing in stock involves risk and the value of the RSUs can rise and fall with any rise or fall in the value of the Shares. Again, any advice given by the Company in relation to the RSUs does not take into account the personal objectives, financial situation, and needs of the Australian Participants. Australian Participants should satisfy themselves that they have a sufficient understanding of risks of acquiring and holding Shares, and should consider whether the Shares are a suitable investment, considering the Australian Participant's own investment objectives, financial circumstances, and taxation position. Accordingly, Australian Participants should consider obtaining their own financial advice by a financial advisor (licensed by ASIC to give such advice).

Market Price in Australian Dollars. An Australian Participant could, from time to time, ascertain the market price of Shares by obtaining that price from the Nasdaq website, the Company website, or The Wall Street Journal, and multiplying that price by a published exchange rate to convert U.S. Dollars into Australian Dollars.

Deferral of Tax Payable. Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to all RSUs issued under this Agreement to Australian Participants.

Data Privacy. The Participant acknowledges and agrees that if the Company or its affiliates, Parent, or Subsidiaries discloses any personal information about the Participant to a recipient outside of Australia then the Company and its affiliates, Parent, and Subsidiaries will not be: (a) required by law to take steps to ensure that the recipient complied with the Australian Privacy Principles; or (b) responsible for any breaches of the Australian Privacy Principles by the recipient in respect of that information. The Participant consents to the collection of the Participant's personal information by the Company, its affiliates, Parent, and Subsidiaries about the Participant under this Agreement being disclosed to recipients outside of Australia.

Exchange Control Information. The Participant understands that the Participant may have exchange control reporting obligations in connection with transfers that exceed A\$10,000. The bank handling the transaction will generally complete the reporting requirements.

Brazil

Exchange Control Information. When transferring amounts resulting from the sale of Shares to Brazil, such funds must be transferred by wire and declared as such through the foreign exchange closing operations of the Participant's preferred financial institution in Brazil. The amounts received from abroad also must, subsequently, be declared by the Participant for tax purposes. By participating in the Plan, the Participant understands that the

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Participant is generally required to make an annual report of shares held outside Brazil to the tax authorities and the Central Bank if such holdings exceed a specified limit (typically US\$100,000).

Canada

Authorization to Release Necessary Personal Information. The Participant hereby authorizes the Company (including any affiliate, Parent, or Subsidiary) and the Company's (including its affiliate's, Parent's, or Subsidiary's) representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Company and any affiliate, Parent, or Subsidiary and the Company's designated Plan broker(s) or other third-party stock plan service providers to disclose and discuss the Plan with their advisors. The Participant further authorizes the Participant's employer to record such information and to keep such information in the Participant's personnel file.

English Language Provisions for the Participants in Quebec. The Participant hereby consents to receive Plan information in English through the Participant's enrollment in the Plan and entrance into this Agreement. Specifically, the Participant acknowledges as follows:

It is my express wish that this Agreement, as well as all documents, notices, and legal proceedings entered into, given, or instituted pursuant hereto or relating directly or indirectly hereto, including the Plan, be drawn up in English.

Disposition relative à l'utilisation de la langue anglaise. Par la présente, j'accepte de recevoir les informations relatives au Plan et l'achat d'actions en anglais par le biais de mon inscription au Plan et l'entrée dans la Agreement. Particulièrement, j'accepte comme suit:

Il est la volonté expresse du moi que cette Agreement, ainsi que tous les documents, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à la présente convention, y compris le Plan, être rédigés en anglais.

Form of RSU Settlement. The grant of the RSUs does not give the Participant any right to receive a cash payment, and the RSUs held by Canadian Participants may be settled only in Shares.

Tax Reporting Obligation. Foreign property (including the RSUs granted under the Plan and the underlying Shares) held by Canadian Participants must be reported annually on Form T1135 (Foreign Income Verification Statement) if the total value of such foreign property exceeds C\$100,000 at any time during the year. The form must be filed by April 30 of the following year.

Egypt

Any transfer of funds in connection with the Plan must be via a licensed bank in Egypt.

Germany

Tax Indemnity. The Participant agrees to indemnify and keep indemnified the Company, any non-U.S. affiliate, Parent, or Subsidiary from and against any liability for or obligation to pay any obligation with respect to Tax Withholdings (including but not limited to wage tax, solidarity surcharge, church tax, or social security contributions) that is attributable to (1) the grant or settlement of, or any benefit derived by the Participant from, the RSUs, (2) the acquisition by the Participant of the Shares upon settlement of the RSUs, or (3) the disposal of any Shares.

Exchange Control Information. The Participant understands that if the Participant remits proceeds in excess of €12,500 out of or into Germany, such cross-border payment must be reported monthly to the State Central Bank. In the event that the Participant makes or receives a payment in excess of this amount, the Participant understands and agrees that the Participant is responsible for obtaining the appropriate form from a German bank and complying with applicable reporting requirements. In addition, the Participant must also report on an annual basis in the event that the Participant holds Shares exceeding 10% of the total voting capital of the Company. The online filing portal can be accessed at www.bundesbank.de.

India

Exhibit 10.1

Foreign Assets Reporting Information. The Participant understands that the Participant must declare foreign bank accounts and any foreign financial assets (including Shares acquired pursuant to the Plan held outside India) in the Participant's annual tax return. The Participant further understands that it is the Participant's responsibility to comply with this reporting obligation and the Participant should consult with the Participant's personal tax advisor in this regard. Indian residents should consult with their personal tax advisor to determine their personal reporting obligations.

Exchange Control Information. The Participant understands that the Participant must repatriate any proceeds from the sale of Shares acquired under the Plan or the receipt of any dividends to India within 90 days of receipt and convert such amounts to local currency within 180 days of receipt. The Participant further understands that the Participant must obtain a foreign inward remittance certificate ("**FIRC**") from the bank where the Participant deposits the foreign currency and maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Participant's employer requests proof of repatriation.

Ireland

Director Reporting Obligation. If the Participant is a director, shadow director, or secretary of a Subsidiary in Ireland, the Participant must notify the Irish Subsidiary in writing within five business days of receiving or disposing of an interest in the Company (*e.g.*, RSUs, Shares), or within five business days of becoming aware of the event giving rise to the notification requirement or within five days of becoming a director or secretary if such an interest exists at the time. This notification requirement also applies with respect to the interests of the Participant's spouse or children under the age of 18, whose interests will be attributed to the Participant if the Participant is a director, shadow director, or secretary.

Mexico

The Participant acknowledges and agrees that the RSU grant and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or services contract with the Company, or any Parent, Subsidiary, or affiliate of the Company and the Participant agrees not to make a claim, now or in the future, that receipt of the RSU grant has created an employment or service relationship with the Company or any Parent, Subsidiary, or affiliate of the Company.

Netherlands

Insider Trading Information. By accepting the RSUs, the Participant acknowledges that it is the Participant's responsibility to be aware of the Dutch insider trading rules, which may affect the sale of Shares that the Participant acquires upon settlement of the RSUs. In particular, the Participant understands and acknowledges that (i) the Participant has reviewed the summary of the Dutch insider trading rules below and (ii) the Participant may be prohibited from effecting certain transactions in Shares if the Participant has insider information regarding the Company. The Participant acknowledges and understands that the Participant has been advised to read the discussion carefully to determine whether the insider rules could apply to the Participant. If the Participant is uncertain whether the insider rules apply to the Participant or the Participant's situation, the Participant acknowledges that the Company recommends that the Participant consult with a legal advisor. The Participant acknowledges and agrees that the Company cannot be held liable if the Participant violates the Dutch insider trading rules. The Participant acknowledges and agrees that the Participant is responsible for ensuring the Participant's own compliance with these rules.

Summary of Dutch Prohibition Against Insider Trading. Dutch securities laws prohibit insider trading. The regulations are based upon the European Market Abuse Directive and are stated in section 5:56 of the Dutch Financial Supervision Act (Wet op het financieel toezicht or Wft) and in section 2 of the Market Abuse Decree (Besluit marktmisbruik Wft). For further information, see the website of the Authority for the Financial Markets (AFM): [Insider dealing](#). | [Market abuse](#) | [AFM Professionals](#).

Singapore

Securities Notice. The award of the RSUs is being made in reliance of section 272B of the Securities and Futures Act (Cap. 289) ("**SFA**") for which it is exempt from the prospectus and registration requirements under the SFA. The Participant understands that the Shares have not been registered with the SFA and no prospectus has been registered by the Monetary Authority of Singapore.

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Director Notification Obligation. If the Participant is a director, shadow director, or holds any similar position¹ of a Singapore-incorporated company (each a “**Singapore company**”) (e.g., the Company, any Singapore Subsidiary or Singapore affiliate), the Participant is subject to certain notification requirements under section 164 of the Singapore Companies Act to enable the Singapore company to comply with its obligations to maintain a register of director’s shareholdings (“**Register**”). Among these requirements is an obligation to notify the Singapore company in writing of:

- (a) shares in, debentures of, or participatory interests made available by, the Singapore company or its related corporation which are held by the Participant;
- (b) any interest that the Participant has in shares in, debentures of, or participatory interests made available by, the Singapore company or its related corporation, and the nature and extent of that interest under Section 7 of the Singapore Companies Act (which provides for the circumstances under which a deemed interest in shares may arise);
- (c) rights or options that the Participant has in respect of the acquisition or disposal of shares in the Singapore company or its related corporation; and
- (d) contracts to which the Participant is a party or under which the Participant is entitled to a benefit, being contracts under which a person has a right to call for or to make delivery of shares in the Singapore company or its related corporation.

The Participant must notify the Singapore company in writing when there is any change in the particulars of the Participant’s interests as mentioned above (including when the Participant sells Shares issued from the Plan).

The Participant is deemed to hold or have an interest or a right in or over any shares or debentures, if:

- (a) The Participant’s spouse (not being himself or herself a director or chief executive officer) holds or has an interest or a right in or over such shares or debentures; or
- (b) The Participant’s child of less than 18 years of age, including stepson, stepdaughter, adopted son or adopted daughter (not being himself or herself a director or chief executive officer) holds or has an interest in such shares or debentures.

In addition, any contract, assignment, or right of subscription shall be deemed to have been entered into or exercised or made by, or a grant shall be deemed as having been made to, the Participant if any contract, assignment, or right of subscription is entered into, exercised or made by, or a grant is made to, members of the Participant’s family as aforesaid (not being himself or herself a director or chief executive officer).

Particulars of the Participant’s interests as mentioned above must be given within two business days after (i) the date on which the Participant became a director of the Singapore company, or (ii) the date on which the Participant became a registered holder of or acquired an interest as mentioned above, whichever last occurs. Particulars of any change in the Participant’s interests must also be given within two business days of the change.

¹ Under section 4(1) of the Singapore Companies Act, the term “director” includes any person occupying the position of director of a corporation by whatever name called.

Spain

Securities Law Notice. The RSUs do not qualify under Spanish Law as a security. No “offer to the public,” as defined under Spanish Law, has taken place or will take place in the Spanish territory. Neither the Plan nor this Agreement have been registered with the *Comisión Nacional del Mercado de Valores* and do not constitute a public offering prospectus.

Exhibit 10.1

Foreign Assets Reporting. The Participant may be subject to certain tax reporting requirements with respect to assets or rights that the Participant holds outside of Spain, including bank accounts, securities, and real estate if the aggregate value for particular category of assets exceeds €50,000 as of December 31 each year. Shares acquired under the Plan or other equity programs offered by the Company constitute securities for purposes of this requirement, but unvested RSUs are not subject to this reporting requirement.

If applicable, the Participant must report the Participant's foreign assets on Form 720 by no later than March 31 following the end of the relevant year. After the rights and/or assets are initially reported, the reporting obligation will only apply if the value of previously reported rights or assets increases by more than €20,000 as of each subsequent December 31. The Participant is encouraged to consult with the Participant's personal advisor to determine any obligations in this respect.

In addition, the Participant must notify the Registry of Investments at the Spanish Ministry of Industry, Commerce and Tourism of investments in securities of companies not listed in Spain, which are deposited in a non-resident account. The Participant must file form D-6 by January 31 each year stating the value of their investments in non-Spanish listed shares as of December 31 of the previous calendar year.

Share Reporting Requirement. The acquisition of shares of stock must be declared for statistical purposes to the Direccion General de Comercio e Inversiones, the Bureau for Commerce and Investments, which is a department of the Ministry of Economy and Competitiveness. Generally, the declaration must be filed in January for shares owned as of December 31 of each year; however, if the value of the shares acquired or the amount of the sale proceeds exceeds a designated amount the declaration must be filed within one month of the acquisition or sale, as applicable. The Participant should consult with the Participant's personal advisor to determine the Participant's obligations in this respect.

Foreign Currency Payments. When receiving foreign currency payments exceeding €50,000 derived from the ownership of shares (*i.e.*, dividends or proceeds from the sale of the Shares), the Participant must inform the financial institution receiving the payment of the basis upon which such payment is made. The Participant will need to provide the following information: (i) the Participant's name, address, and fiscal identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment and the currency used; (iv) the country of origin; (v) the reasons for the payment; and (vi) further information that may be required.

Turkey

Securities Law Information. The Participant acknowledges and agrees that the offer of the RSUs has been made by the Company to the Participant personally in connection with an existing relationship with the Company or one or more of its Parent, Subsidiaries, or affiliates, and further, that the RSUs, any Shares issued upon settlement of the RSUs, and the related offer thereof are not subject to regulation by any securities regulator in Turkey.

United Kingdom

Tax Obligations. The Participant agrees to indemnify and keep indemnified the Company and its Parent, Subsidiaries, and affiliates, from and against any liability for or obligation to pay any Tax Liability (a "**Tax Liability**" being any liability for income tax, withholding tax, and any other employment related taxes, employee's national insurance contributions or employer's national insurance contributions or equivalent social security contributions in any jurisdiction) that is attributable to (1) the grant of, or any benefit derived by the Participant from, the RSUs, (2) the Participant's acquisition of Shares upon settlement of the RSUs, or (3) the disposal of any Shares.

Tax Withholdings shall include primary and to the extent legally possible secondary class 1 National Insurance Contributions. The Participant agrees that the Company may calculate the Tax-Related Items to be withheld and accounted for by reference to the maximum applicable rates, without prejudice to any right the Participant may have to recover any overpayment from relevant U.K. tax authorities. The Participant understands and agrees that if payment or withholding of any income tax liability arising in connection with the Participant's participation in the Plan is not made by the Participant to the Participant's employer within ninety days of the event giving rise to such income tax liability or such other period specified in Section 222(1)I of the U.K. Income Tax (Earnings and Pensions) Act 2003, that the amount of any uncollected income tax will constitute an additional benefit to the Participant on which additional income tax and National Insurance Contributions will be payable. The Participant understands and agrees that the Participant is responsible for reporting and paying any income tax due on this additional benefit directly to Her Majesty's Revenue and Customs under the self-assessment regime and for reimbursing the Company for the value of any primary and (to the extent legally possible) secondary class 1

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National Insurance Contributions due on this additional benefit which the Company may recover from the Participant by any of the means referred to in the Plan and/or this Agreement.

At the discretion of the Company, the Company may delay settlement of the Participant's RSUs until the Participant has entered into an election with the Company or the Service Recipient, as appropriate, in a form approved by the Company and Her Majesty's Revenue & Customs (a "**Joint Election**") under which any liability of the Company and/or the Service Recipient for employer's national insurance contributions arising in respect of the vesting or settlement of the RSUs or other dealing in the Shares, is transferred to and met by the Participant.

Form of RSU Settlement. The grant of the RSUs does not give the Participant any right to receive a cash payment, and the RSUs held by British Participants may be settled only in Shares.

UDEMYY, INC.
2021 EQUITY INCENTIVE PLAN
NOTICE OF STOCK OPTION GRANT AND STOCK OPTION AGREEMENT

Capitalized terms that are not defined in this Notice of Stock Option Grant and Stock Option Agreement (the "**Notice of Grant**"), the Terms and Conditions of Stock Option Grant attached hereto as Exhibit A, the Country Addendum attached hereto as Exhibit B, and all other exhibits to these documents (all together, this "**Agreement**") have the meanings given to them in the Udemyy, Inc. 2021 Equity Incentive Plan (the "**Plan**").

The Participant has been granted an Option according to the terms below and subject to the terms and conditions of the Plan and this Agreement:

Participant

Participant I.D.

Grant Number

Grant Date

Vesting Commencement Date

Number of Shares Granted

Exercise Price per Share

Total Exercise Price

Type of Option

Incentive Stock Option

Nonstatutory Stock Option

Expiration Date

Vesting Schedule:

Subject to the acceleration of vesting provisions herein or in any agreement between the Participant and the Company, and subject to the conditions set forth in this Agreement, this Option shall be exercisable, in whole or in part, according to the following vesting schedule (as such vesting schedule may be amended or modified from time to time in accordance with this Agreement and the Plan):

As set forth in Equity Edge

For the avoidance of doubt, in the event of any conflict, discrepancy, or inconsistency between the vesting schedule set forth above and the document or action of the Board or its authorized committee approving this Option pursuant to the Plan (the "**Approval**"), the Approval shall govern the initial vesting terms. Any portion of this Option that shall vest on a monthly basis per such vesting schedule shall vest on the same day of the applicable vesting month as the Vesting Commencement Date set forth above (and if there is no corresponding day, on the last day of such month), subject to Participant continuing to be a Service Provider through each such date.

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In addition to the vesting terms set forth above for this award, this Option's vesting will be accelerated in accordance with any vesting acceleration provisions approved by the Administrator. If the Participant ceases to be a Service Provider for any or no reason before the Participant fully vests in this Option, the unvested portion of this Option will terminate according to the terms of Section 4 of this Agreement.

Adjustments to Vesting Schedule:

Notwithstanding the aforementioned vesting schedule, in accordance with Section 11 of the Plan, unless the Administrator provides otherwise or as otherwise required by Applicable Laws, (a) the vesting schedule of this Option will be adjusted or suspended during any leave of absence in accordance with the Company's leave of absence and/or reduced work schedule and/or part-time policy in effect at the time of such leave and (b) if, after the Grant Date of this Option, the Participant commences working on a part-time or reduced work schedule basis, the vesting schedule will be adjusted in accordance with the Company's reduced work schedule/ part-time policy then in effect.

Exercise of Option:

- (a) If the Participant dies or the Participant's status as a Service Provider is terminated due to the Participant's Disability, the vested portion of this Option will remain exercisable for twelve (12) months after the Participant ceases to be a Service Provider. For any other termination of status as a Service Provider, the vested portion of this Option will remain exercisable for three (3) months after the Participant ceases to be a Service Provider.
- (b) If a Transaction occurs, Section 14 of the Plan may further limit this Option's exercisability.
- (c) This Option will not be exercisable after the Expiration Date, except as may be permitted in accordance with Section 6(h) of the Plan (which tolls expiration in very limited cases when there are legal restrictions on exercise).

The Participant's signature below (or the Participant's electronic signature or other electronic acknowledgement or acceptance of this Agreement or Award) indicates that:

- (i) The Participant agrees that this Option is granted under and governed by the terms and conditions of the Plan and this Agreement, including their exhibits and appendices.
- (ii) The Participant understands that the Company is not providing any tax, legal, or financial advice and is not making any recommendations regarding the Participant's participation in the Plan or the Participant's acquisition or sale of Shares.
- (iii) The Participant has reviewed the Plan and this Agreement, has had an opportunity to obtain the advice of personal tax, legal, and financial advisors prior to signing this Agreement, and fully understands all provisions of the Plan and Agreement. The Participant will consult with the Participant's own personal tax, legal, and financial advisors before taking any action related to the Plan.
- (iv) The Participant has read and agrees to each provision of Section 10 of this Agreement.
- (v) The Participant will notify the Company of any change to the contact address below.
- (vi) The Participant acknowledges and agrees that this Option will be subject to recoupment under any clawback policy that the Company adopts pursuant to Section 17(d) of the Plan.

PARTICIPANT

Signature

Address:

EXHIBIT A

TERMS AND CONDITIONS OF STOCK OPTION GRANT

1. **Grant.** The Company grants the Participant an Option to purchase Shares of Common Stock as described in the Notice of Grant. If there is a conflict between the Plan, this Agreement, or any other agreement with the Participant governing this Option, those documents will take precedence and prevail in the following order: (a) the Plan, (b) the Agreement, and (c) any other agreement between the Company and the Participant governing this Option. If the Notice of Grant designates this Option as an Incentive Stock Option (“**ISO**”), this Option is intended to qualify as an ISO under Code Section 422. Even if this Option is designated an ISO, to the extent it first becomes exercisable as to more than \$100,000 in any calendar year, the portion in excess of \$100,000 is not an ISO under Code Section 422(d) and that portion will be a Nonstatutory Stock Option (“**NSO**”). In addition, if the Participant exercises this Option after three (3) months have passed since the Participant ceased to be an employee of the Company or a Parent or Subsidiary of the Company, it generally will no longer be an ISO (however, different rules apply to cessation of employee status due to death or Disability). If there is any other reason this Option (or a portion of it) will not qualify as an ISO, to the extent of such nonqualification, this Option will be an NSO. The Participant understands that the Participant will have no recourse against the Administrator, any member of the Company Group, or any officer or director of a member of the Company Group if any portion of this Option is not an ISO.
2. **Vesting.** This Option will only be exercisable (also referred to as vested) under the Vesting Schedule in the Notice of Grant, Section 3 of this Agreement, or Section 14 of the Plan. Shares scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest unless the Participant continues to be a Service Provider until the time such vesting is scheduled to occur.
3. **Administrator Discretion.** The Administrator has the discretion to accelerate the vesting of any portion of this Option. In that case, this Option will be vested as of the date and to the extent specified by the Administrator.
4. **Forfeiture upon Cessation of Status as a Service Provider.** Upon the Participant’s termination as a Service Provider for any reason other than death, this Option will immediately stop vesting and any portion of this Option that has not yet vested will be immediately forfeited for no consideration upon the date that Participant ceases to be a Service Provider, in all cases, subject to Applicable Laws. Upon the Participant’s termination as a Service Provider due to the Participant’s death, this Option will immediately stop vesting and, on the thirtieth (30th) day following the date of the Participant’s death, any portion of this Option that has not yet vested will be immediately forfeited for no consideration, in all cases, subject to Applicable Laws. For purposes of this Option, the Participant’s status as a Service Provider will be considered to be terminated as of the date the Participant is no longer actively providing services to the Company, or if different, the Participant’s employer (the “**Employer**”) or the Subsidiary or Parent to which the Participant is providing services (the Employer, Subsidiary, or Parent, as applicable, the “**Service Recipient**”) or other member of the Company Group (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is a Service Provider or the terms of the Participant’s employment or service agreement, if any), and unless otherwise expressly provided in this Agreement or determined by the Administrator, the Participant’s right to vest in this Option under the Plan, if any, will terminate as of such date and the Participant’s right to exercise the Option after termination, if any, will be measured from such date, and will not be extended by any notice period (*e.g.*, the Participant’s period of service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where the Participant is a Service Provider or the terms of the Participant’s employment or service agreement, if any). The Administrator shall have the exclusive discretion to determine when the Participant is no longer actively providing services for purposes of this Option (including whether the Participant may still be considered to be providing services while on a leave of absence).
5. **Death of Participant.** Any distribution or delivery to be made to the Participant under this Agreement will, if the Participant is then deceased, be made to the administrator or executor of the Participant’s estate or, if the Administrator permits, the Participant’s designated beneficiary, unless otherwise required to comply with Applicable Laws. Any such transferee must furnish the Company with (a) written notice of the Participant’s status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations that apply to the transfer.

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6. **Exercise of Option.** This Option may be exercised only before its Expiration Date and only under the Plan and this Agreement. To exercise this Option, the Participant must deliver and the Administrator must receive an exercise notice according to procedures determined by the Administrator. The exercise notice must (i) state the number of Shares as to which this Option is being exercised ("**Exercised Shares**"), (ii) make any representations or agreements required by the Company, (iii) be accompanied by a payment of the total exercise price for all Exercised Shares, and (iv) be accompanied by a payment of all required Tax Withholdings for all Exercised Shares. This Option is exercised when both the exercise notice and payments due have been received by the Company for all Exercised Shares. The Administrator may designate a particular exercise notice to be used, but until a designation is made, the exercise notice attached to this Agreement as Exhibit C may be used.

7. **Method of Payment.** The Participant may pay the total exercise price for Exercised Shares by any of the following methods or a combination of methods: (i) cash, (ii) check, (iii) wire transfer, (iv) consideration received by the Company under a formal cashless exercise program adopted by the Company, or (v) surrender of other Shares, as long as the Company determines that accepting such Shares does not result in any adverse accounting consequences to the Company. If Shares are surrendered, the value of those Shares will be the fair market value for those Shares on the date they are surrendered. A non-U.S. resident's methods of exercise may be restricted by the terms and condition of the Country Addendum attached hereto as Exhibit B.

8. **Tax Obligations.**

(a) Tax Withholding.

(i) No Shares will be issued to the Participant until the Participant makes satisfactory arrangements (as determined by the Administrator) for the payment of Tax Withholdings. If the Participant is a non-U.S. employee, the method of payment of Tax Withholdings may be restricted by the Country Addendum. If the Participant fails to make satisfactory arrangements for the payment of any Tax Withholdings under this Agreement at the time of an attempted Option exercise, the Company may refuse to honor the exercise and refuse to deliver the Shares, to the extent permitted by Applicable Laws.

(ii) The Company also has the right (but not the obligation) to satisfy any Tax Withholdings (A) by reducing the number of Shares otherwise deliverable to the Participant, (B) by requiring payment by cash or check made payable to the Company and/or any Service Recipient with respect to which the withholding obligation arises, (C) by deduction of such amount from salary, wages, or other compensation payable to the Participant, or (D) in any combination of the foregoing, or any other method determined by the Administrator to be compliance with Applicable Laws.

(iii) The Company may withhold or account for Tax Withholdings by considering statutory or other withholding rates, including minimum or maximum rates applicable in the Participant's jurisdiction(s). In the event of over-withholding, the Participant may receive a refund of any over-withheld amount in cash (with no entitlement to the equivalent in Common Stock), or if not refunded, the Participant may seek a refund from the local tax authorities. In the event of under-withholding, the Participant may be required to pay any additional Tax Withholdings directly to the applicable tax authority or to the Company and/or the Employer(s). If the obligation for Tax Withholdings is satisfied by withholding in Shares, for tax purposes, the Participant will be deemed to have been issued the full number of Shares exercised, notwithstanding that a number of the Shares is held back solely for the purpose of paying the Tax Withholdings.

(iv) Further, if the Participant is subject to taxation in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, the Company or the Employer(s) or former Employer(s) may withhold or account for tax in more than one jurisdiction.

(v) Regardless of any action of the Company or the Employer(s), the Participant acknowledges that the ultimate liability for all Tax Withholdings and any and all additional taxes related to the Option, the Shares or other amounts or property delivered under the Option and the Participant's participation in the Plan is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer(s). The Participant further acknowledges that the Company and the Employer(s) (A) make no representations or undertakings regarding the treatment of any Tax Withholdings in connection with any aspect of this Option and (B) do not commit to and are under no obligation to structure the terms of the grant or any aspect of this Option to reduce or eliminate the Participant's liability for Tax Withholdings or achieve any particular tax result.

(vi) For U.S. taxpayers, under Code Section 409A, a stock right (such as this Option) that was granted with a per share exercise price that is determined by the U.S. Internal Revenue Service (the "**IRS**") to be less than the fair market value of an underlying share on the date of grant (a "**discount option**") may be considered "deferred compensation." A stock right that is a "discount option" may result in (A) income recognition by the recipient of the stock right prior to the exercise of the stock right, (B) an additional 20% U.S. federal income tax, and (C) potential penalty and interest charges. The "discount option" may also result in additional U.S. state income, penalty, and interest tax to the recipient of the stock right. Participant is hereby notified that the Company cannot and has not

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guaranteed that the IRS will agree that the per Share exercise price of this Option equals or exceeds the fair market value of a Share on the Grant Date in a later examination. Participant is hereby notified that if the IRS determines that this Option was granted with a per Share exercise price that was less than the fair market value of a Share on the Grant Date, Participant shall be solely responsible for Participant's costs related to such a determination.

(b) **Tax Reporting.** This Section 8(b) applies if the Participant is a U.S. income taxpayer. If this Option is partially or wholly an ISO, and if the Participant sells or otherwise disposes of any the Shares acquired by exercising the ISO portion on or before the later of (i) two (2) years after the Grant Date or (ii) one (1) year after the date of exercise, the Participant may be subject to withholding of Tax Withholdings by the Company on the compensation income recognized by the Participant and must immediately notify the Company in writing of the disposition.

9. **Rights as Stockholder.** The Participant's or any other person's rights as a stockholder of the Company (including the right to vote and to receive dividends and distributions) will not begin until Shares have been issued and recorded on the records of the Company or its transfer agents or registrars.

10. **Acknowledgements and Agreements.** The Participant's signature on the Notice of Grant accepting this Option indicates that:

(a) THE PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THIS OPTION IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AND THAT BEING HIRED, GRANTED THIS OPTION, AND EXERCISING THIS OPTION WILL NOT RESULT IN VESTING.

(b) THE PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS OPTION AND AGREEMENT DO NOT CREATE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH THE PARTICIPANT'S RIGHT OR THE RIGHT OF THE EMPLOYER(S) TO TERMINATE THE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE, SUBJECT TO APPLICABLE LAWS.

(c) The Participant agrees that this Agreement and its incorporated documents reflect all agreements on its subject matters and that the Participant is not accepting this Agreement based on any promises, representations, or inducements other than those reflected in the Agreement.

(d) The Participant understands that exercise of this Option is governed strictly by Sections 6, 7, and 8 of this Agreement and that failure to comply with those Sections could result in the expiration of this Option, even if an attempt was made to exercise.

(e) The Participant agrees that the Company's delivery of any documents related to the Plan or this Option (including the Plan, the Agreement, the Plan's prospectus, and any reports of the Company provided generally to the Company's stockholders) to the Participant may be made by electronic delivery, which may include but does not necessarily include the delivery of a link to a Company intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail, or any other means of electronic delivery specified by the Company. If the attempted electronic delivery of such documents fails, the Participant will be provided with a paper copy of the documents. The Participant acknowledges that the Participant may receive from the Company a paper copy of any documents that were delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant may revoke the Participant's consent to the electronic delivery of documents or may change the electronic mail address to which such documents are to be delivered (if the Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service, or electronic mail. Finally, the Participant understands that the Participant is not required to consent to electronic delivery of documents.

(f) The Participant may deliver any documents related to the Plan or this Option to the Company by e-mail or any other means of electronic delivery approved by the Administrator, but the Participant must provide the Company or any designated third-party administrator with a paper copy of any documents if the Participant's attempted electronic delivery of such documents fails.

(g) The Participant accepts that all good faith decisions or interpretations of the Administrator regarding the Plan and Awards under the Plan are binding, conclusive, and final. No member of the Administrator will be personally liable for any such decisions or interpretations.

(h) The Participant agrees that the Plan is established voluntarily by the Company, is discretionary in nature, and may be amended, suspended, or terminated by the Company at any time, to the extent permitted by the Plan.

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- (i) The Participant agrees that the grant of this Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past.
- (j) The Participant agrees that any decisions regarding future Awards will be in the Company's sole discretion.
- (k) The Participant agrees that the Participant is voluntarily participating in the Plan.
- (l) The Participant agrees that this Option and any Shares acquired under the Plan are not intended to replace any pension rights or compensation.
- (m) The Participant agrees that this Option, any Shares acquired under the Plan, and their income and value are not part of normal or expected compensation for any purpose, including for calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits, or similar payments.
- (n) The Participant agrees that the future value of the Shares underlying this Option is unknown, indeterminable, and cannot be predicted with certainty.
- (o) The Participant understands that if the underlying Shares do not increase in value, this Option will have no intrinsic monetary value.
- (p) The Participant understands that if this Option is exercised, the value of each Share received on exercise may increase or decrease in value, even below the Exercise Price.
- (q) The Participant agrees that no member of the Company Group is liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of this Option or of any amounts due to the Participant from the exercise of this Option or the subsequent sale of any Shares acquired upon exercise.
- (r) Unless otherwise provided in the Plan or by the Administrator in its discretion, this Option and the benefits evidenced in this Agreement do not create any entitlement to have this Option or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares.
- (s) The Participant agrees that the Participant has no claim or entitlement to compensation or damages from any forfeiture of this Option resulting from the termination of the Participant's status as a Service Provider (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is a Service Provider or the terms of the Participant's service agreement, if any).

11. **Data Privacy.**

- (a) *The Participant voluntarily consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other Award materials ("Data") by and among, as applicable, the Employer(s), the Company and any member of the Company Group for the exclusive purpose of implementing, administering, and managing the Participant's participation in the Plan.*
- (b) *The Participant understands that the Company and the Employer(s) may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all equity awards or any other entitlement to stock awarded, canceled, exercised, vested, unvested, or outstanding in the Participant's favor, for the exclusive purpose of implementing, administering, and managing the Plan.*
- (c) *The Participant understands that Data will be transferred to one or more a stock plan service provider(s) selected by the Company, which may assist the Company with the implementation, administration, and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant understands that if the Participant resides outside the United States, the Participant may request a list with the names and addresses of any potential recipients of the Data by contacting the Participant's local human resources representative. The Participant authorizes the Company and any other possible recipients that may assist the Company (presently or in the future) with implementing,*

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administering, and managing the Plan to receive, possess, use, retain, and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering, and managing the Participant's participation in the Plan.

(d) The Participant understands that Data will be held only as long as is necessary to implement, administer, and manage the Participant's participation in the Plan. The Participant understands that if the Participant resides in certain jurisdictions outside the United States, to the extent required by Applicable Laws, the Participant may, at any time, request access to Data, request additional information about the storage and processing of Data, require any necessary amendments to Data, or refuse or withdraw the consents given by accepting this Option, in any case without cost, by contacting in writing the Participant's local human resources representative. Further, the Participant understands that the Participant is providing these consents on a purely voluntary basis. If the Participant does not consent or if the Participant later seeks to revoke the Participant's consent, the Participant's engagement as a Service Provider with the Employer(s) will not be adversely affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company will not be able to grant the Participant awards under the Plan or administer or maintain awards. Therefore, the Participant understands that refusing or withdrawing the Participant's consent may affect the Participant's ability to participate in the Plan (including the right to retain this Option). The Participant understands that the Participant may contact the Participant's local human resources representative for more information on the consequences of the Participant's refusal to consent or withdrawal of consent.

12. Insider Trading Restrictions/Market Abuse Laws. The Participant acknowledges that the Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions including, but not limited to, the United States and the Participant's country of residence, which may affect the Participant's ability to acquire or sell Shares or rights to Shares (e.g., this Option) under the Plan during such time as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. The Participant should keep in mind third parties includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. The Participant is responsible for ensuring compliance with any applicable restrictions and should consult with the Participant's personal legal advisor on this matter.

13. Foreign Asset/Account Reporting Requirements. Depending on the Participant's country, the Participant may be subject to foreign asset/account, exchange control, and/or tax reporting requirements as a result of the vesting or exercise of this Option, the acquisition, holding, and/or transfer of Shares or cash resulting from participation in the Plan, and/or the opening and maintaining of a brokerage or bank account in connection with the Plan. The Participant may be required to report such assets, accounts, account balances, and values, and/or related transactions to the applicable authorities in the Participant's country. The Participant may also be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to the Participant's country through a designated bank or broker and/or within a certain time after receipt. The Participant acknowledges that the Participant is responsible for ensuring compliance with any applicable foreign asset/account, exchange control, tax reporting, and other requirements. The Participant further understands that the Participant should consult the Participant's personal tax and legal advisors, as applicable, on these matters.

14. Miscellaneous.

(a) **Address for Notices.** Any notice to be given to the Company under the terms of this Agreement must be addressed to the Company at Udemy, Inc., 600 Harrison Street, 3rd Floor, San Francisco, California 94107, USA until the Company designates another address in writing.

(b) **Non-Transferability of Option.** This Option may not be transferred other than by will or the applicable laws of descent or distribution and may be exercised during the lifetime of the Participant only by the Participant or the Participant's representative following a Disability.

(c) **Binding Agreement.** If this Option is transferred, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors, and assigns of the parties to this Agreement.

(d) **Additional Conditions to Issuance of Stock.** If at any time the Company determines, in its discretion, that the listing, registration, qualification, or rule compliance of the Shares upon any securities exchange or under any U.S. or non-U.S. federal, state, or local law, the Code, and related regulations or under the rulings or regulations of the United States Securities and Exchange Commission or any other governmental regulatory body, or the clearance, consent, or approval of the United States Securities and Exchange Commission or any other governmental

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regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent, or approval will have been completed, effected, or obtained free of any conditions not acceptable to the Company.

(e) **Captions.** Captions provided in this Agreement are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

(f) **Agreement Severable.** If any provision of this Agreement is held invalid or unenforceable, that provision will be severed from the remaining provisions of this Agreement and the invalidity or unenforceability will have no effect on the remainder of the Agreement.

(g) **Country Addendum.** This Option is subject to any special terms and conditions set forth in the Country Addendum attached hereto as Exhibit B. If the Participant relocates to a country included in the Country Addendum, the special terms and conditions for that country will apply to the Participant to the extent the Company determines that applying such terms and conditions is necessary or advisable for legal or administrative reasons.

(h) **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on this Option and the Shares subject to this Option to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(i) **Choice of Law; Choice of Forum.** The Plan, this Agreement, this Option, and all determinations made and actions taken under the Plan, to the extent not otherwise governed by the laws of the United States, will be governed by the laws of the State of Delaware without giving effect to principles of conflicts of law. For purposes of litigating any dispute that arises under the Plan, the Participant's acceptance of this Option is the Participant's consent to the jurisdiction of the State of Delaware and the Participant's agreement that any such litigation will be conducted in the Delaware Court of Chancery or the federal courts for the United States for the District of Delaware and no other courts, regardless of where the Participant is performing services.

(j) **Modifications to the Agreement.** The Plan and this Agreement constitute the entire understanding of the parties on the subjects covered. The Participant expressly warrants that the Participant is not accepting this Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. The Company reserves the right to revise the Agreement as it deems necessary or advisable, in its sole discretion and without the consent of the Participant, to comply with Code Section 409A, to otherwise avoid imposition of any additional tax or income recognition under Code Section 409A in connection with this Option, or to comply with other Applicable Laws.

(k) **Waiver.** The Participant acknowledges that a waiver by the Company of a breach of any provision of this Agreement will not operate or be construed as a waiver of any other provision of this Agreement or of any subsequent breach of this Agreement by the Participant.

(l) **Language.** If Participant has received this Agreement, or any other document related to this Option and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

EXHIBIT B

UDEMY, INC.

2021 EQUITY INCENTIVE PLAN STOCK OPTION AGREEMENT

COUNTRY ADDENDUM

Terms and Conditions

This Country Addendum includes additional terms and conditions that govern the Option granted pursuant to the terms and conditions of the Plan and the Option Agreement to which this Country Addendum is attached to the extent the Participant resides in one of the countries listed below. Capitalized terms not defined in this Country Addendum will have the same definition as provided in the Option Agreement or the Plan, as appropriate.

Notifications

This Country Addendum also includes information regarding securities laws, exchange controls, and certain other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control, and other laws in effect in the respective countries as of February 2021. Such laws often are complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the information in this Country Addendum or any tax summary provided by the Company as the only source of information relating to the consequences of Participant's participation in the Plan because the information may be out of date at the time Participant exercises the Options or sells the Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to Participant's particular situation and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws of Participant's country may apply to his or her situation.

Finally, if Participant is a citizen or resident of a country other than the one in which Participant currently is a Service Provider or transfers to another country after the grant of the Option, or is considered a resident of another country for local law purposes, the information contained herein may not be applicable to Participant in the same manner. In addition, the Company, in its discretion, will determine the extent to which the terms and conditions contained herein will apply to Participant under these circumstances.

Participant acknowledges that Participant has been advised to seek appropriate professional advice as to how the relevant exchange control and tax laws in Participant's country may apply to his or her individual situation.

I. GLOBAL PROVISIONS APPLICABLE TO PARTICIPANTS IN ALL COUNTRIES OTHER THAN THE UNITED STATES

1. Foreign Exchange Considerations. Participant understands and agrees that neither the Company nor any Parent, Subsidiary or employer shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the U.S. dollar that may affect the value of the Option, or of any amounts due to Participant under the Plan or as a result of exercising the Option and/or the subsequent sale of any Shares acquired under the Plan. Participant agrees and acknowledges that Participant will bear any and all risk associated with the exchange or fluctuation of currency associated with his or her participation in the Plan. Participant acknowledges and agrees that Participant may be responsible for reporting inbound transactions or fund transfers that exceed a certain amount. Participant is advised to seek appropriate professional advice as to how the exchange control regulations apply to the Option and Participant's specific situation and understands that the relevant laws and regulations can change frequently and occasionally on a retroactive basis.

2. Tax Withholding Considerations. Participant acknowledges and agrees that, regardless of any action taken by the Company, any Parent, Subsidiary, affiliate, or employer with respect to any or all income tax, social security, social insurances, national insurance contributions, social insurance contributions, payroll tax, fringe benefit, or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant including, without limitation, in connection with the grant of the Option, the acquisition or sale of Shares acquired under the Plan and/or the receipt of any dividends on such Shares ("**Tax-Related Items**"), the ultimate liability for all Tax-Related Items is and remains Participant's responsibility and may exceed the amount actually withheld by the Company, or any Parent, Subsidiary, or affiliate. Furthermore, Participant acknowledges that the Company and/or any Parent, Subsidiary, affiliate, or employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option or other benefits under the Plan and (b) do not commit to and are under no obligation to structure the terms of the Option, other benefits or any aspect of Participant's participation in the Plan to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant becomes subject to tax in more than one jurisdiction, or changes his or her jurisdiction of primary residence or service between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or any Parent, Subsidiary, affiliate, or employer (or former service recipient, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to exercising the Option under the Plan or any other relevant taxable or tax withholding event, as applicable, Participant agrees to make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, Participant authorizes the Company and/or any Parent, Subsidiary, affiliate, employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (a) withholding from Participant's wages or other compensation paid to Participant, or (b) withholding from proceeds of the sale of the Shares acquired under the Plan either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization).

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Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering maximum applicable withholding rates, in which case Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. Finally, Participant agrees to pay to the Company or any applicable Parent, Subsidiary, affiliate, or employer any amount of Tax-Related Items that the Company or any Parent, Subsidiary, affiliate, or employer may be required to withhold as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

3. Nature of Grant. In accepting the Option, Participant acknowledges, understands and agrees that:

- (a) the grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;
- (b) all decisions with respect to future option or other grants, if any, will be at the sole discretion of the Administrator;
- (c) Participant is voluntarily participating in the Plan;
- (d) The Option grant and Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or services contract with the Company, or any Parent, Subsidiary, affiliate or employer and shall not interfere with the ability of the Company, the employer or any Parent, Subsidiary, affiliate, or employer, as applicable, to terminate Participant's employment or service relationship (if any);
- (e) the Option and any Shares acquired under the Plan are not intended to replace any pension rights or compensation;
- (f) the Option and Shares acquired under the Plan and the income and value of same, are not part of normal or expected compensation or salary for any purpose including calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement, or welfare benefits or similar payments;
- (g) the future value of the Shares underlying the Option is unknown, indeterminable, and cannot be predicted;
- (h) if the underlying Shares do not increase in value, the Option will have no value;
- (i) if Participant exercises the Option and acquires Shares, the value of such Shares may increase or decrease in value, even below the Exercise Price;
- (j) for purposes of the Option, Participant's status as a Service Provider, including service contracted through a professional employment organization ("**PEO**"), will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Parent, Subsidiary, or affiliate (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Option Agreement (including by reference in the Notice of Stock Option Grant to other arrangements or contracts) or determined by the Administrator;
- (i) Participant's right to vest in the Option under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any, unless Participant is providing bona fide services during such time), and (ii) the period (if any) during which Participant may exercise the Option after such termination of Participant's engagement as a Service Provider will commence on the date Participant ceases to actively provide services and will not be extended by any notice period mandated under employment laws in the jurisdiction where Participant is employed or the terms of Participant's service agreement, if any; the Administrator will have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of this Option (including whether Participant may still be considered to be providing services while on a leave of absence and consistent with local law);
- (k) no claim or entitlement to compensation or damages will arise from forfeiture of the Option resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of the Option to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company

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or any Parent, Subsidiary or affiliate, waives his or her ability, if any, to bring any such claim, and releases each of the Company or any Parent, Subsidiary or affiliate from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant will be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

4. Data Privacy. Participant hereby explicitly and unambiguously consents to the collection, use, and transfer, in electronic or other form, of Participant's personal data as described in this Option Agreement and any other Option grant materials by and among, as applicable, the Company or any Parent, Subsidiary, or affiliate for the exclusive purpose of implementing, administering, and managing Participant's participation in the Plan.

Participant understands that the Company and any Parent, Subsidiary, or affiliate may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering, and managing the Plan.

*Participant understands that Data may be transferred to a stock plan service provider, as may be selected by the Company in the future, assisting the Company with the implementation, administration, and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting the Company. Participant authorizes the Company, any stock plan service provider selected by the Company, and any other possible recipients which may assist the Company (presently or in the future), including but not limited to E*Trade, with implementing, administering, and managing the Plan to receive, possess, use, retain, and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering, and managing his or her participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer, and manage Participant's participation in the Plan. Participant understands if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Company in writing. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her status as a Service Provider and career with the Company or any Parent, Subsidiary, or affiliate will not be adversely affected. The only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Options or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact the Company.*

5. Language. If Participant has received this Option Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

6. Professional Employment Organizations. Each Participant, including those engaged through a third-party professional employment organization, is an individual Service Provider. A PEO will not be considered a Service Provider for purposes of this Option Agreement.

II. COUNTRY SPECIFIC PROVISIONS APPLICABLE TO PARTICIPANTS WHO PROVIDE SERVICES IN THE IDENTIFIED COUNTRIES

Australia

Deferral of Tax Payable. Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to all Options issued under this Option Agreement to Australian Participants.

Data Privacy. Participant acknowledges and agrees that if the Company or its affiliates, Parent and Subsidiaries discloses any personal information about Participant to a recipient outside of Australia then the Company, and its affiliates, Parent and Subsidiaries will not be: (a) required by law to take steps to ensure that the recipient complied

Exhibit 10.1

with the Australian Privacy Principles; or (b) responsible for any breaches of the Australian Privacy Principles by the recipient, in respect of that information. Participant consents to the collection of Participant's personal information by the Company, its affiliates, Parent, and Subsidiaries about Participant under this Option Agreement being disclosed to recipients outside of Australia.

Exchange Control Information. Participant understands that he or she may have exchange control reporting obligations in connection with transfers that exceed A\$10,000. The bank handling the transaction will generally complete the reporting requirements.

Brazil

Exchange Control Information. When transferring amounts resulting from the sale of Shares to Brazil, such funds must be transferred by wire and declared as such through the foreign exchange closing operations of Participant's preferred financial institution in Brazil. The amounts received from abroad also must, subsequently, be declared by Participant for tax purposes.

By participating in the Plan, Participant understands that he or she is generally required to make an annual report of shares held outside Brazil to the tax authorities and the Central Bank if such holdings exceed a specified limit (typically, US\$100,000).

Canada

Authorization to Release Necessary Personal Information. Participant hereby authorizes the Company (including any non-U.S. affiliate, Parent or Subsidiary) and the Company's (including its non-U.S. affiliate's, Parent's or Subsidiary's) representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. Participant further authorizes the Company and any non-U.S. affiliate, Parent, or Subsidiary and the Company's designated Plan broker(s) or other third-party stock plan service providers to disclose and discuss the Plan with their advisors. Participant further authorizes his or her employer to record such information and to keep such information in Participant's Service Provider file.

English Language Provisions for Participants in Quebec. Participant hereby consents to receive Plan information in English through Participant's enrollment in the Plan and entrance into this Option Agreement. Specifically, Participant acknowledges as follows:

It is my express wish that this Option Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, including the Plan, be drawn up in English.

Disposition relative à l'utilisation de la langue anglaise. Par la présente, j'accepte de recevoir les informations relatives au Plan, l'Option et l'achat d'actions en anglais par le biais de mon inscription au Plan et l'entrée dans la Option Agreement. Particulièrement, j'accepte comme suit:

Il est la volonté expresse du moi que cette Option Agreement, ainsi que tous les documents, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à la présente convention, y compris le Plan, être rédigés en anglais.

No Promissory Note or Other Shares. Notwithstanding the provisions of section 6(c)(iii) or (iv) of the Plan, the exercise price may not be paid by way of a promissory note or surrendering other shares of Company Common Stock.

Option Payable Only in Shares. The grant of the Option does not give Participant any right to receive a cash payment, and the Option may be settled only in Shares.

Tax Reporting Obligation. Foreign property (including the Options granted under the Plan and the underlying Shares) held by Canadian Participants must be reported annually on Form T1135 (Foreign Income Verification Statement) if the total value of such foreign property exceeds C\$100,000 at any time during the year. The form must be filed by April 30 of the following year.

Egypt

Exhibit 10.1

Any transfer of funds in connection with the Plan must be via a licensed bank in Egypt.

Germany

Tax Indemnity. Participant agrees to indemnify and keep indemnified the Company, any non-U.S. affiliate, Parent, or Subsidiary from and against any liability for or obligation to pay any obligation with respect to Tax-Related Items (including but not limited to wage tax, solidarity surcharge, church tax, or social security contributions) that is attributable to (1) the grant or settlement of, or any benefit derived by Participant from, the Option, (2) the acquisition by Participant of the Shares upon exercise of the Option, or (3) the disposal of any Shares.

Exchange Control Information. Participant understands that if Participant remits proceeds in excess of €12,500 out of or into Germany, such cross-border payment must be reported monthly to the State Central Bank. In the event that Participant makes or receives a payment in excess of this amount, Participant understands and agrees that Participant is responsible for obtaining the appropriate form from a German bank and complying with applicable reporting requirements. In addition, Participant must also report on an annual basis in the event that Participant holds Shares exceeding 10% of the total voting capital of the Company. The online filing portal can be accessed at www.bundesbank.de.

India

Foreign Assets Reporting Information. Participant understands that Participant must declare foreign bank accounts and any foreign financial assets (including Shares acquired pursuant to the Plan held outside India) in Participant's annual tax return. Participant further understands that it is Participant's responsibility to comply with this reporting obligation and Participant should consult with his or her personal tax advisor in this regard. Indian residents should consult with their personal tax advisor to determine their personal reporting obligations.

Exchange Control Information. Participant understands that Participant must repatriate any proceeds from the sale of Shares acquired under the Plan or the receipt of any dividends to India within 90 days of receipt and convert such amounts to local currency within 180 days of receipt. Participant further understands that Participant must obtain a foreign inward remittance certificate ("**FIRC**") from the bank where he or she deposits the foreign currency and maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or Participant's employer requests proof of repatriation.

Ireland

Director Reporting Obligation. If Participant is a director, shadow director, or secretary of a Subsidiary in Ireland, Participant must notify the Irish Subsidiary in writing within five business days of receiving or disposing of an interest in the Company (*e.g.*, Options, Shares), or within five business days of becoming aware of the event giving rise to the notification requirement or within five days of becoming a director or secretary if such an interest exists at the time. This notification requirement also applies with respect to the interests of Participant's spouse or children under the age of 18 (whose interests will be attributed to Participant if Participant is a director, shadow director or secretary).

Mexico

Participant acknowledges and agrees that the Option grant and Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or services contract with the Company, or any Parent, Subsidiary, or affiliate of the Company and Participant agrees not to make a claim, now or in the future, that receipt of the Option grant has created an employment or service relationship with the Company, or any Parent, Subsidiary, or affiliate of the Company.

Netherlands

Insider Trading Information. By accepting the Option, Participant acknowledges that it is Participant's responsibility to be aware of the Dutch insider trading rules, which may affect the sale of Shares that Participant acquires upon exercise of the Options. In particular, Participant understands and acknowledges that (i) Participant has reviewed the summary of the Dutch insider trading rules below and (ii) Participant may be prohibited from effecting certain

Exhibit 10.1

transactions in Shares if Participant has insider information regarding the Company. Participant acknowledges and understands that Participant has been advised to read the discussion carefully to determine whether the insider rules could apply to Participant. If Participant is uncertain whether the insider rules apply to Participant or his or her situation, Participant acknowledges that the Company recommends that Participant consult with a legal advisor. Participant acknowledges and agrees that the Company cannot be held liable if Participant violates the Dutch insider trading rules. Participant acknowledges and agrees that Participant is responsible for ensuring his or her own compliance with these rules.

Summary of Dutch Prohibition Against Insider Trading. Dutch securities laws prohibit insider trading. The regulations are based upon the European Market Abuse Directive and are stated in section 5:56 of the Dutch Financial Supervision Act (Wet op het financieel toezicht or Wft) and in section 2 of the Market Abuse Decree (Besluit marktmisbruik Wft). For further information, see the website of the Authority for the Financial Markets (AFM): Insider dealing | Market abuse | AFM Professionals.

Singapore

Securities Notice. The award of the Option is being made in reliance of section 272B of the Securities and Futures Act (Cap. 289) (“SFA”) for which it is exempt from the prospectus and registration requirements under the SFA. Participant understands that the Shares have not been registered with the SFA and no prospectus has been registered by the Monetary Authority of Singapore.

Director Notification Obligation. If Participant is a director, shadow director, or holds any similar position¹ of a Singapore-incorporated company (each a “Singapore company”) (e.g., the Company, any Singapore Subsidiary or Singapore affiliate), Participant is subject to certain notification requirements under section 164 of the Singapore Companies Act to enable the Singapore company to comply with its obligations to maintain a register of director’s shareholdings (“Register”). Among these requirements is an obligation to notify the Singapore company in writing of:

- (a) shares in, debentures of, or participatory interests made available by, the Singapore company or its related corporation which are held by Participant;
- (b) any interest that Participant has in shares in, debentures of, or participatory interests made available by, the Singapore company or its related corporation, and the nature and extent of that interest under Section 7 of the Singapore Companies Act (which provides for the circumstances under which a deemed interest in shares may arise);
- (c) rights or options that Participant has in respect of the acquisition or disposal of shares in the Singapore company or its related corporation; and
- (d) contracts to which Participant is a party or under which Participant is entitled to a benefit, being contracts under which a person has a right to call for or to make delivery of shares in the Singapore company or its related corporation.

¹ Under section 4(1) of the Singapore Companies Act, the term “director” includes any person occupying the position of director of a corporation by whatever name called.

Participant must notify the Singapore company in writing when there is any change in the particulars of Participant’s interests as mentioned above (including when Participant sells Shares issued from the Plan).

Participant is deemed to hold or have an interest or a right in or over any shares or debentures, if:

- (a) Participant’s spouse (not being himself or herself a director or chief executive officer) holds or has an interest or a right in or over such shares or debentures; or
- (b) Participant’s child of less than 18 years of age, including stepson, stepdaughter, adopted son or adopted daughter (not being himself or herself a director or chief executive officer) holds or has an interest in such shares or debentures.

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In addition, any contract, assignment or right of subscription shall be deemed to have been entered into or exercised or made by, or a grant shall be deemed as having been made to, Participant if any contract, assignment or right of subscription is entered into, exercised or made by, or a grant is made to, members of Participant's family as aforesaid (not being himself or herself a director or chief executive officer).

Particulars of Participant's interests as mentioned above must be given within two business days after (i) the date on which Participant became a director of the Singapore company, or (ii) the date on which Participant became a registered holder of or acquired an interest as mentioned above, whichever last occurs. Particulars of any change in Participant's interests must also be given within two business days of the change.

Spain

Securities Law Notice. The Option does not qualify under Spanish Law as a security. No "offer to the public," as defined under Spanish Law, has taken place or will take place in the Spanish territory. Neither the Plan nor this Option Agreement have been registered with the *Comisión Nacional del Mercado de Valores* and do not constitute a public offering prospectus.

Foreign Assets Reporting. Participant may be subject to certain tax reporting requirements with respect to assets or rights that Participant holds outside of Spain, including bank accounts, securities and real estate if the aggregate value for particular category of assets exceeds €50,000 as of December 31 each year. Shares acquired under the Plan or other equity programs offered by the Company constitute securities for purposes of this requirement, but unexercised Options are not subject to this reporting requirement.

If applicable, Participant must report his or her foreign assets on Form 720 by no later than March 31 following the end of the relevant year. After the rights and/or assets are initially reported, the reporting obligation will only apply if the value of previously reported rights or assets increases by more than €20,000 as of each subsequent December 31. Participant is encouraged to consult with his or her personal advisor to determine any obligations in this respect.

In addition, Participant must notify the Registry of Investments at the Spanish Ministry of Industry, Commerce and Tourism of investments in securities of companies not listed in Spain, which are deposited in a non-resident account. Participant must file form D-6 by January 31 each year stating the value of their investments in non-Spanish listed shares as of December 31 of the previous calendar year.

Share Reporting Requirement. The acquisition of shares of stock must be declared for statistical purposes to the Dirección General de Comercio e Inversiones (the "DGCI"), the Bureau for Commerce and Investments, which is a department of the Ministry of Economy and Competitiveness. Generally, the declaration must be filed in January for shares owned as of December 31 of each year; however, if the value of the shares acquired or the amount of the sale proceeds exceeds a designated amount the declaration must be filed within one month of the acquisition or sale, as applicable. Participant should consult with his or her personal advisor to determine Participant's obligations in this respect.

Foreign Currency Payments. When receiving foreign currency payments exceeding €50,000 derived from the ownership of shares (*i.e.*, dividends or proceeds from the sale of the shares), Participant must inform the financial institution receiving the payment of the basis upon which such payment is made. Participant will need to provide the following information: (i) Participant's name, address, and fiscal identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment and the currency used; (iv) the country of origin; (v) the reasons for the payment; and (vi) further information that may be required.

Turkey

Securities Law Information. Participant acknowledges and agrees that the offer of the Option has been made by the Company to Participant personally in connection with an existing relationship with the Company or one or more of its Parent, Subsidiaries, or affiliates, and further, that the Option, any Shares issued upon exercise of the Option and the related offer thereof are not subject to regulation by any securities regulator in Turkey.

United Kingdom

Tax Obligations. Participant agrees to indemnify and keep indemnified the Company, any Parent, Subsidiary, or affiliate, from and against any liability for or obligation to pay any Tax Liability (a "**Tax Liability**" being any

Exhibit 10.1

liability for income tax, withholding tax and any other employment related taxes, employee's national insurance contributions or employer's national insurance contributions or equivalent social security contributions in any jurisdiction) that is attributable to (1) the grant or exercise of, or any benefit derived by Participant from, the Option, (2) Participant's acquisition of Shares upon exercise of the Option, or (3) the disposal of any Shares.

Tax-Related Items shall include primary and to the extent legally possible secondary class 1 National Insurance Contributions. Participant agrees that the Company may calculate the Tax-Related Items to be withheld and accounted for by reference to the maximum applicable rates, without prejudice to any right Participant may have to recover any overpayment from relevant U.K. tax authorities. Participant understands and agrees that if payment or withholding of any income tax liability arising in connection with Participant's participation in the Plan is not made by Participant to his or her employer within ninety days of the event giving rise to such income tax liability or such other period specified in Section 222(1)I of the U.K. Income Tax (Earnings and Pensions) Act 2003, that the amount of any uncollected income tax will constitute an additional benefit to Participant on which additional income tax and National Insurance Contributions will be payable. Participant understands and agrees that Participant is responsible for reporting and paying any income tax due on this additional benefit directly to Her Majesty's Revenue and Customs under the self-assessment regime and for reimbursing the Company for the value of any primary and (to the extent legally possible) secondary class 1 National Insurance Contributions due on this additional benefit which the Company may recover from Participant by any of the means referred to in the Plan and/or this Option Agreement.

Option Payable Only in Shares. The grant of the Option does not give Participant any right to receive a cash payment, and the Option may be settled only in Shares.

EXHIBIT C
UDEMY, INC.
2021 EQUITY INCENTIVE PLAN
EXERCISE NOTICE

Udemy, Inc.
600 Harrison Street, 3rd Floor
San Francisco, California 94107
Attention: Stock Administration

Purchaser Name:	_____
Grant Date of Stock Option (the " Option "): _____	_____
Grant Number:	_____
Exercise Date:	_____
Number of Shares Exercised:	_____
Per Share Exercise Price:	_____
Total Exercise Price:	_____
Exercise Price Payment Method:	_____
Tax Withholdings Payment Method:	_____

The information in the table above is incorporated in this Exercise Notice.

15. **Exercise of Option.** Effective as of the Exercise Date, I elect to purchase the Number of Shares Exercised ("**Exercised Shares**") under the Stock Option Agreement for this Option (the "**Agreement**") for the Total Exercise Price. Capitalized terms used but not defined in this Exercise Notice have the meanings given to them in the 2021 Equity Incentive Plan (the "**Plan**") and/or the Agreement.

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16. Delivery of Payment. With this Exercise Notice, I am delivering the Total Exercise Price and any required Tax Withholdings to be paid in connection with the purchase of the Exercised Shares. I am paying my total purchase price by the Exercise Price Payment Method and the Tax Withholdings by the Tax Withholdings Payment Method.

17. Representations of Purchaser. I acknowledge that:

- (a) I have received, read, and understood the Plan and the Agreement and agree to be bound by their terms and conditions.
- (b) The exercise will not be completed until this Exercise Notice, Total Exercise Price, and all Tax-Related Payments are received by the Company.
- (c) I have no rights as a stockholder of the Company (including the right to vote and receive dividends and distributions) on the Exercised Shares until the Exercised Shares have been issued and recorded on the records of the Company or its transfer agents or registrars.
- (d) No adjustment will be made for a dividend or other right for which the record date is before the date of issuance, except for adjustments under Section 13 of the Plan.
- (e) There may be adverse tax consequences to exercising this Option, and I am not relying on the Company for tax advice and have had an opportunity to obtain the advice of personal tax, legal, and financial advisors prior to exercising.
- (f) The modification and choice of law provisions of the Agreement also govern this Exercise Notice.

18. Entire Agreement; Choice of Law; Choice of Forum. The Plan and the Agreement are incorporated by reference. This Exercise Notice, the Plan, and the Agreement are the entire agreement of the parties with respect to this Options and this exercise and supersede in their entirety all prior undertakings and agreements of the Company and Purchaser with respect to their subject matter. The Plan, the Agreement, and this Exercise Notice, to the extent not otherwise governed by the laws of the United States, will be governed by the laws of the State of Delaware without giving effect to principles of conflicts of law. For purposes of litigating any dispute that arises under the Plan (including without limitation under this Exercise Notice), the Participant consents to the jurisdiction of the State of Delaware and any such litigation being conducted in the Delaware Court of Chancery or the federal courts for the United States for the District of Delaware and no other courts, regardless of where the Participant is performing services.

Submitted by:

PURCHASER

Signature

Address: _____

**UDEMYY, INC.
2021 EQUITY INCENTIVE PLAN**

**NOTICE OF PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AND
RESTRICTED STOCK UNIT AGREEMENT**

Capitalized terms that are not defined in this Notice of Performance-Based Restricted Stock Unit Award and Restricted Stock Unit Agreement (the “**Notice of Grant**”), the Terms and Conditions of Performance-Based Restricted Stock Unit Award attached hereto as Exhibit A, the Country Addendum attached hereto as Exhibit B, and all other exhibits to these documents (all together, this “**Agreement**”) have the meanings given to them in the Udemyy, Inc. 2021 Equity Incentive Plan (the “**Plan**”).

The Participant has been granted this performance-based Restricted Stock Unit (“**PSU**”) award according to the terms below and subject to the terms and conditions of the Plan and this Agreement, as follows:

Participant ___
Participant I.D. ___
Grant Number ___
Grant Date ___
Vesting Commencement Date ___
Maximum Number of PSUs Granted ___

Vesting Schedule:

The PSUs are eligible to vest only if certain performance goals, described in detail in Exhibit C, are satisfied. Any PSUs that become eligible to vest will be scheduled to vest in accordance with the time-based vesting requirements set forth in Exhibit C. Vesting is subject to continued status as a Service Provider through the applicable vesting date.

If the Participant ceases to be a Service Provider for any or no reason before the Participant fully vests in these PSUs, the unvested PSUs will terminate according to the terms of Section 5 of this Agreement.

The Participant’s signature below (or Participant’s electronic signature or other electronic acknowledgement or acceptance of this Agreement or Award) indicates that:

- (i) The Participant agrees that this Performance-Based Restricted Stock Unit award is granted under and governed by the terms and conditions of the Plan and this Agreement, including their exhibits and appendices.
- (ii) The Participant understands that the Company is not providing any tax, legal, or financial advice and is not making any recommendations regarding the Participant’s participation in the Plan or the Participant’s acquisition or sale of Shares.

- (iii) The Participant has reviewed the Plan and this Agreement, has had an opportunity to obtain the advice of personal tax, legal, and financial advisors prior to signing this Agreement, and fully understands all provisions of the Plan and Agreement. The Participant will consult with the Participant's own personal tax, legal, and financial advisors before taking any action related to the Plan.
- (iv) The Participant has read and agrees to each provision of Section 9 of this Agreement.
- (v) The Participant will notify the Company of any change to the contact address below.
- (vi) The Participant acknowledges and agrees that unless otherwise required to comply with Applicable Laws, these PSUs will be subject to recoupment under any clawback policy that the Company adopts pursuant to Section 17(d) of the Plan.

PARTICIPANT

Signature

Address: ____

EXHIBIT A

TERMS AND CONDITIONS OF PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD

1. **Grant.** The Company grants the Participant an award of PSUs as described in the Notice of Grant. If there is a conflict between the Plan, this Agreement, or any other agreement with the Participant governing these PSUs, those documents will take precedence and prevail in the following order: (a) the Plan, (b) the Agreement, and (c) any other agreement between the Company and the Participant governing these PSUs.

2. **Company's Obligation to Pay.** Each PSU is a right to receive a Share or, in the sole discretion of the Administrator, an amount in cash equal to the Fair Market Value of one Share, on the date it vests. Until an PSU vests, the Participant has no right to payment of the Share. Before a vested PSU is paid, the PSU is an unsecured obligation of the Company, payable (if at all) only from the Company's general assets. A vested PSU will be paid to the Participant (or in the event of the Participant's death, to the Participant's estate or such other person as specified in Section 6 below) in whole Shares or cash. Subject to the provisions of Section 4(b) and notwithstanding anything in the Plan to the contrary, each vested PSU that has met all requirements for settlement under this Agreement (including with respect to PSUs that the Administrator determines will be settled in cash) will be settled no later than the applicable Settlement Deadline. "**Settlement Deadline**" with respect to a particular vested PSU means as soon as practicable after vesting (but no later than sixty (60) days following the vesting date (or, if earlier, no later than March 15 of the calendar year following the calendar year in which occurs the first date on which the applicable PSU is no longer subject to a substantial risk of forfeiture for purposes of Section 409A)). If any PSU has not met all the requirements for settlement under this Agreement in a manner that would allow it to be settled by the applicable Settlement Deadline, such PSU will be forfeited as of immediately following the applicable Settlement Deadline. In no event will Participant be permitted, directly or indirectly, to specify the taxable year or date of settlement of any PSUs under this Agreement. For the avoidance of doubt, there may be multiple Settlement Deadlines, with each such Settlement Deadline corresponding to a particular PSU.

3. **Vesting.** These PSUs will vest only under the Vesting Schedule in the Notice of Grant, Section 4 of this Agreement, or Section 13 of the Plan. PSUs scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest unless the Participant continues to be a Service Provider until the time such vesting is scheduled to occur.

4. **Acceleration; Amendment.**

(a) **Discretionary Acceleration or Amendment.** The Administrator may, pursuant to its authority under, and in accordance with, Section 4(b)(v), Section 4(b)(ix), Section 4(b)(xiv), and Section 9(c) of the Plan, in its discretion, unilaterally (x) accelerate, in whole or in part, the vesting of these PSUs, (y) waive or decrease some or all of the requirements for vesting of unvested PSUs at any time, or (z) waive or decrease some or all of the requirements for settlement of PSUs at any time, in each case, subject to the terms of the Plan but without the need for Participant consent in any instance, and subject to Section 13(j) of this Agreement; *provided, however*, that no such acceleration, waiver, or decrease shall occur or be effective unless such modification would result in this PSU award remaining exempt or excepted from the requirements of Code Section 409A pursuant to the "short-term deferral" exception or another exception or exemption under Code Section 409A, or otherwise complying with Code Section 409A, in each case such that none of this Agreement, the PSUs provided under this Agreement, or Shares issuable hereunder will be subject to the additional tax imposed under Code Section 409A. If so modified, the vesting date with respect to the applicable PSUs will be deemed for all

purposes of this Agreement to be the date specified by the Administrator (*provided*, that, for purposes of determining the applicable settlement deadline under Section 1 of this Agreement with respect to such PSUs, the vesting date will be deemed to be no later than the first date on which the PSUs are no longer subject to a substantial risk of forfeiture for purposes of Code Section 409A). The settlement of PSUs through Shares pursuant to this Section 4(a) shall in all cases be no later than the applicable settlement deadline as set forth in Section 1 of this Agreement and at a time or in a manner that is exempt from, or complies with, Code Section 409A. The prior sentence may be superseded in a future agreement or amendment to this Agreement only by direct and specific reference to such sentence.

(b) The Company's intent is that this PSU award be exempt or excepted from the requirements of Code Section 409A. However, in an abundance of caution, the Company is including in this subsection certain Code Section 409A rules that only apply if these PSUs are not exempt or excepted, and then only in certain circumstances. Specifically, Code Section 409A contains rules that must apply to these PSUs if (i) they are not exempt or excepted from Code Section 409A, (ii) the Company has any stock that is publicly traded on an established securities market or otherwise at the time Participant's service terminates, (iii) Participant receives acceleration of vesting of these PSUs in connection with a termination of service, and (iv) at the time of such termination, Participant is considered a "specified employee" under the Code Section 409A rules. Should these rules ever become applicable to Participant's PSUs, then notwithstanding anything in the Plan, this Agreement or any other agreement (whether entered into before, on, or after the Grant Date) to the contrary, if the vesting of these PSUs is accelerated in connection with Participant's termination as a Service Provider (*provided* that such termination is a "separation from service" within the meaning of Code Section 409A, as determined by the Company), other than due to Participant's death, and if (x) Participant is a U.S. taxpayer and a "specified employee" within the meaning of Code Section 409A at the time of such termination as a Service Provider and (y) the settlement of such accelerated PSUs will result in the imposition of additional tax under Code Section 409A if such settlement is on or within the six (6) month period following Participant's termination as a Service Provider, then the settlement of such accelerated PSUs will not occur until the date six (6) months and one (1) day following the date of Participant's termination as a Service Provider, unless the Participant dies following the Participant's termination as a Service Provider, in which case, the Shares subject to these PSUs will be settled and issued to the Participant's administrator or executor of the Participant's estate as soon as practicable following the Participant's death (subject to Section 6).

5. **Forfeiture upon Cessation of Status as a Service Provider.** Upon the Participant's termination as a Service Provider for any reason other than death, these PSUs will immediately stop vesting and any of these PSUs that have not yet vested will be forfeited by the Participant for no consideration upon the date that Participant ceases to be a Service Provider for any reason, in all cases, subject to Applicable Laws. Upon the Participant's termination as a Service Provider due to the Participant's death, these PSUs will immediately stop vesting and, on the thirtieth (30th) day following the date of the Participant's death, any of these PSUs that have not yet vested will be forfeited by the Participant for no consideration, in all cases, subject to Applicable Laws. For the avoidance of doubt, service during any portion of the vesting period shall not entitle the Participant to vest in a pro rata portion of unvested PSUs. For purposes of the PSUs, the Participant's status as a Service Provider will be considered to be terminated as of the date the Participant is no longer providing services to the Company, or if different, the Participant's employer (the "**Employer**") or the Subsidiary or Parent to which the Participant is providing services (the Employer, Subsidiary, or Parent, as applicable, the "**Service Recipient**") or other member of the Company Group (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is a Service Provider or the terms of the Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Agreement or determined by

the Administrator, the Participant's right to vest in the PSUs under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, the Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is a Service Provider or the terms of the Participant's employment or service agreement, if any). The Administrator shall have the exclusive discretion to determine when the Participant is no longer providing services for purposes of the PSUs (including whether the Participant may still be considered to be providing services while on a leave of absence).

6. **Death of Participant.** Any distribution or delivery to be made to the Participant under this Agreement will, if the Participant is then deceased, be made to the administrator or executor of the Participant's estate or, if the Administrator permits, the Participant's designated beneficiary, unless otherwise required to comply with Applicable Laws. Any such transferee must furnish the Company with (a) written notice of the Participant's status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations that apply to the transfer.

7. **Tax Obligations.**

(a) Tax Withholding.

(i) No Shares will be issued to the Participant until the Participant makes satisfactory arrangements (as determined by the Administrator) for the payment of Tax Withholdings. If the Participant is a non-U.S. employee, the method of payment of Tax Withholdings may be restricted by any Country Addendum (as defined below). If the Participant fails to make satisfactory arrangements for the payment of any Tax Withholdings under this Agreement when any of these PSUs otherwise are supposed to vest or Tax Withholdings related to PSUs otherwise are due, the Participant will permanently forfeit the applicable PSUs and any right to receive Shares under such PSUs, and such PSUs will be returned to the Company at no cost to the Company, to the extent permitted by Applicable Laws.

(ii) The Company has the right (but not the obligation) to satisfy any Tax Withholdings by withholding from proceeds of a sale of Shares acquired upon payment of these PSUs arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent), and this will be the method by which such tax withholding obligations are satisfied until the Company determines otherwise, subject to Applicable Laws.

(iii) The Company also has the right (but not the obligation) to satisfy any Tax Withholdings: (A) by reducing the number of Shares otherwise deliverable to the Participant; (B) by requiring payment by cash or check made payable to the Company and/or any Service Recipient with respect to which the withholding obligation arises; (C) by deduction of such amount from salary, wages or other compensation payable to the Participant; or (D) in any combination of the foregoing, or any other method determined by the Administrator to be compliance with Applicable Laws.

(iv) The Company may withhold or account for Tax Withholdings by considering statutory or other withholding rates, including minimum or maximum rates applicable in the Participant's jurisdiction(s). In the event of over-withholding, the Participant may receive a refund of any over-withheld amount in cash (with no entitlement to the equivalent in Common Stock), or if not refunded, the Participant may seek a refund from the local tax authorities. In the event of under-withholding, the Participant may be required to pay any additional Tax Withholdings directly to the applicable tax authority or to the Company and/or the Employer(s). If the obligation for Tax Withholdings is satisfied by withholding in Shares, for tax purposes, the Participant will be deemed to have been issued the full number of Shares subject to

the vested PSUs, notwithstanding that a number of the Shares is held back solely for the purpose of paying the Tax Withholdings.

(v) Further, if the Participant is subject to taxation in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, the Company or the Employer(s) or former Employer(s) may withhold or account for tax in more than one jurisdiction.

(vi) Regardless of any action of the Company or the Employer(s), the Participant acknowledges that the ultimate liability for all Tax Withholdings and any and all additional taxes related to the Award, the Shares, or other amounts or property delivered under the Award and the Participant's participation in the Plan is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer(s). The Participant further acknowledges that the Company and the Employer(s) (A) make no representations or undertakings regarding the treatment of any Tax Withholdings in connection with any aspect of these PSUs and (B) do not commit to and are under no obligation to structure the terms of the grant or any aspect of these PSUs to reduce or eliminate the Participant's liability for Tax Withholdings or achieve any particular tax result.

(b) Code Section 409A. It is the intent of this Agreement that it and all issuances and benefits to U.S. taxpayers hereunder be exempt or excepted from the requirements of Code Section 409A pursuant to the "short-term deferral" exception under Code Section 409A, or otherwise be exempted or excepted from, or comply with, Code Section 409A, so that none of this Agreement, the PSUs provided under this Agreement, or Shares issuable thereunder will be subject to the additional tax imposed under Code Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or excepted, or to so comply. Each issuance upon settlement of the PSUs under this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). In no event will any member of the Company Group have any liability or obligation to reimburse, indemnify, or hold harmless Participant for any taxes that may be imposed, or other costs incurred, on Participant as a result of Code Section 409A.

8. **Rights as Stockholder.** The Participant's or any other person's rights as a stockholder of the Company (including the right to vote and to receive dividends and distributions) will not begin until Shares have been issued and recorded on the records of the Company or its transfer agents or registrars.

9. **Acknowledgements and Agreements.** The Participant's signature on the Notice of Grant accepting these PSUs indicates that:

(a) THE PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THESE PSUS IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AND THAT BEING HIRED OR BEING GRANTED THESE PSUS WILL NOT RESULT IN VESTING.

(b) THE PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THESE PSUS AND THIS AGREEMENT DO NOT CREATE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL AND WILL NOT INTERFERE IN ANY WAY WITH THE PARTICIPANT'S RIGHT OR THE RIGHT OF THE EMPLOYER(S) TO TERMINATE THE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE, SUBJECT TO APPLICABLE LAWS.

(c) The Participant agrees that this Agreement and its incorporated documents reflect all agreements on its subject matters and that the Participant is not accepting this Agreement based on any promises, representations, or inducements other than those reflected in the Agreement.

(d) The Participant agrees that the Company's delivery of any documents related to the Plan or these PSUs (including the Plan, the Agreement, the Plan's prospectus, and any reports of the Company provided generally to the Company's stockholders) to the Participant may be made by electronic delivery, which may include but does not necessarily include the delivery of a link to a Company intranet or to the Internet site of a third party involved in administering the Plan, the delivery of the document via email, or any other means of electronic delivery specified by the Company. If the attempted electronic delivery of such documents fails, the Participant will be provided with a paper copy of the documents. The Participant acknowledges that the Participant may receive from the Company a paper copy of any documents that were delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant may revoke the Participant's consent to the electronic delivery of documents or may change the email address to which such documents are to be delivered (if the Participant has provided an email address) at any time by notifying the Company of such revoked consent or revised email address by telephone, postal service, or email. Finally, the Participant understands that the Participant is not required to consent to electronic delivery of documents.

(e) The Participant may deliver any documents related to the Plan or these PSUs to the Company by email or any other means of electronic delivery approved by the Administrator, but the Participant must provide the Company or any designated third party administrator with a paper copy of any documents if the Participant's attempted electronic delivery of such documents fails.

(f) The Participant accepts that all good faith decisions or interpretations of the Administrator regarding the Plan and Awards under the Plan are binding, conclusive, and final. No member of the Administrator will be personally liable for any such decisions or interpretations.

(g) The Participant agrees that the Plan is established voluntarily by the Company, is discretionary in nature, and may be amended, suspended, or terminated by the Company at any time, to the extent permitted by the Plan.

(h) The Participant agrees that the grant of these PSUs is exceptional, voluntary, and occasional and does not create any contractual or other right to receive future grants of restricted stock units or benefits in lieu of restricted stock units, even if restricted stock units have been granted in the past.

(i) The Participant agrees that any decisions regarding future Awards will be in the Company's sole discretion.

(j) The Participant agrees that the Participant is voluntarily participating in the Plan.

(k) The Participant agrees that these PSUs and any Shares acquired under these PSUs, and the income from and value of same, are not intended to replace any pension rights or compensation.

(l) The Participant agrees that these PSUs, any Shares acquired under these PSUs, and the income from and value of same, are not part of normal or expected compensation for any purpose, including, but not limited to, calculating any severance, resignation,

termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits, or similar payments.

(m) The Participant agrees that the future value of the Shares underlying these PSUs is unknown, indeterminable, and cannot be predicted with certainty.

(n) The Participant agrees that no member of the Company Group is liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of these PSUs or of any amounts due to the Participant from the payment of these PSUs or the subsequent sale of any Shares acquired upon such payment.

(o) Unless otherwise provided in the Plan or by the Administrator in its discretion, the PSUs and the benefits evidenced in this Agreement do not create any entitlement to have the PSUs or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out, or substituted for, in connection with any corporate transaction affecting the Shares.

(p) The Participant agrees that the Participant has no claim or entitlement to compensation or damages from any forfeiture of these PSUs resulting from the termination of the Participant's status as a Service Provider (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is a Service Provider or the terms of the Participant's service agreement, if any).

10. **Data Privacy.**

(a) *The Participant voluntarily, explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other Award materials ("Data") by and among, as applicable, the Employer(s), the Company, and any member of the Company Group for the exclusive purpose of implementing, administering, and managing the Participant's participation in the Plan.*

(b) *The Participant understands that the Company and the Service Recipient(s) may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all equity awards, or any other entitlement to stock awarded, canceled, vested, unvested, or outstanding in the Participant's favor, for the exclusive purpose of implementing, administering, and managing the Plan.*

(c) *The Participant understands that Data will be transferred to one or more stock plan service provider(s) selected by the Company, which may assist the Company with the implementation, administration, and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant understands that if the Participant resides outside the United States, the Participant may request a list with the names and addresses of any potential recipients of the Data by contacting the Participant's local human resources representative. The Participant authorizes the Company and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering, and managing the Plan to receive, possess, use, retain, and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering, and managing the Participant's participation in the Plan.*

(d) *The Participant understands that Data may be transferred to a stock plan service provider, as may be selected by the Company in the future, assisting the Company with the implementation, administration, and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant authorizes the Company, any stock plan service provider selected by the Company, and any other possible recipients which may assist the Company (presently or in the future), including but not limited to E*TRADE Financial Corporate Services, Inc., Equity Plan Solutions, LLC, and eShares, Inc. DBA Carta, Inc., with implementing, administering, and managing the Plan to receive, possess, use, retain, and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering, and managing the Participant's participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer, and manage the Participant's participation in the Plan. The Participant understands that if the Participant resides in certain jurisdictions outside the United States, to the extent required by Applicable Laws, the Participant may, at any time, request a list with the names and addresses of any potential recipients of the Data by contacting the Company and/or access to Data, request additional information about the storage and processing of Data, require any necessary amendments to Data, or refuse or withdraw the consents given by accepting these PSUs, in any case without cost, by contacting in writing the Participant's local human resources representative. Further, the Participant understands that the Participant is providing these consents on a purely voluntary basis. If the Participant does not consent or if the Participant later seeks to revoke the Participant's consent, the Participant's engagement as a Service Provider with the Service Recipient(s) will not be adversely affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company will not be able to grant the Participant awards under the Plan or administer or maintain awards. Therefore, the Participant understands that refusing or withdrawing the Participant's consent may affect the Participant's ability to participate in the Plan (including the right to retain these PSUs). The Participant understands that the Participant may contact the Participant's local human resources representative for more information on the consequences of the Participant's refusal to consent or withdrawal of consent.*

11. **Insider Trading Restrictions/Market Abuse Laws.** The Participant acknowledges that the Participant may be subject to insider trading restrictions and market abuse laws in applicable jurisdictions including, but not limited to, the United States and the Participant's country of residence, which may affect the Participant's ability to acquire or sell Shares or rights to Shares (e.g., PSUs) under the Plan during such time as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. The Participant should keep in mind that the term "third parties" includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. The Participant is responsible for ensuring compliance with any applicable restrictions and should consult with the Participant's personal legal advisor on this matter.

12. **Foreign Asset/Account Reporting Requirements.** Depending on the Participant's country, the Participant may be subject to foreign asset/account, exchange control, and/or tax reporting requirements as a result of the vesting of the PSUs, the acquisition, holding, and/or transfer of Shares or cash resulting from participation in the Plan and/or the opening and maintaining of a brokerage or bank account in connection with the Plan. The Participant may be required to report such assets, accounts, account balances and values, and/or related transactions

to the applicable authorities in the Participant's country. The Participant may also be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to the Participant's country through a designated bank or broker and/or within a certain time after receipt. The Participant acknowledges that the Participant is responsible for ensuring compliance with any applicable foreign asset/account, exchange control, and tax reporting and other requirements. The Participant further understands that the Participant should consult the Participant's personal tax and legal advisors, as applicable on these matters.

13. **Miscellaneous.**

(a) Address for Notices. Any notice to be given to the Company under the terms of this Agreement must be addressed to the Company at Udemy, Inc., 600 Harrison Street, 3rd Floor, San Francisco, California 94107, USA, Attn.: General Counsel, until the Company designates another address in writing.

(b) Non-Transferability of PSUs. These PSUs may not be transferred other than by will or the applicable laws of descent or distribution.

(c) Binding Agreement. If any PSUs are transferred, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors, and assigns of the parties to this Agreement.

(d) Additional Conditions to Issuance of Stock. If at any time the Company determines, in its discretion, that the listing, registration, qualification, or rule compliance of the Shares upon any securities exchange or under any U.S. or non-U.S. federal, state, or local law, the tax Code and related regulations, or under the rulings or regulations of the United States Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent, or approval of the United States Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent, or approval will have been completed, effected, or obtained free of any conditions not acceptable to the Company. If any such listing, registration, qualification, rule compliance, clearance, consent, or approval has not been completed by the applicable Settlement Deadline with respect to a Restricted Stock Unit in a manner that would allow it to be settled by the applicable Settlement Deadline, such Restricted Stock Unit will be forfeited as of immediately following the Settlement Deadline for no consideration and at no cost to the Company. Subject to the terms of this Agreement and the Plan, the Company shall not be required to issue any certificate or certificates for Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of a Restricted Stock Unit as the Administrator may establish from time to time for reasons of administrative convenience and any such certificate may be in book entry form.

(e) Captions. Captions provided in this Agreement are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

(f) Agreement Severable. If any provision of this Agreement is held invalid or unenforceable, that provision will be severed from the remaining provisions of this Agreement and the invalidity or unenforceability will have no effect on the remainder of the Agreement.

(g) Country Addendum. These PSUs are subject to any special terms and conditions set forth in Exhibit B to this Agreement for any country whose laws are applicable to the Participant and this PSU Award (as determined by the Company in its sole discretion) (the "**Country Addendum**"). If the Participant relocates to a country included in the Country Addendum, the special terms and conditions for that country will apply to the Participant to the

extent the Company determines that applying such terms and conditions is necessary or advisable for legal or administrative reasons.

(h) Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the PSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing; *provided, however*, that no such imposition of other requirements shall occur or be effective unless such imposition would result in these PSUs remaining exempt or excepted from the requirements of Code Section 409A pursuant to the "short-term deferral" exception or another exception or exemption under Code Section 409A, or otherwise complying with Code Section 409A, in each case such that none of this Agreement, the PSUs provided under this Agreement, or Shares, cash or other property issuable hereunder will be subject to the additional tax imposed under Code Section 409A.

(i) Choice of Law; Choice of Forum. The Plan, this Agreement, these PSUs, and all determinations made and actions taken under the Plan, to the extent not otherwise governed by the laws of the United States, will be governed by the laws of the State of Delaware without giving effect to principles of conflicts of law. For purposes of litigating any dispute that arises under the Plan, the Participant's acceptance of these PSUs is the Participant's consent to the jurisdiction of the State of Delaware and the Participant's agreement that any such litigation will be conducted in the Delaware Court of Chancery or the federal courts for the United States for the District of Delaware and no other courts, regardless of where the Participant is performing services.

(j) Modifications to the Agreement. The Plan and this Agreement constitute the entire understanding of the parties on the subjects covered. The Participant expressly warrants that the Participant is not accepting this Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything in the Plan or this Agreement to the contrary, but subject to Section 13(h), the Administrator may, without the consent of the Participant, modify this Agreement in any of the following manners: (i) take any action permitted by Section 4 of this Agreement, including to waive or decrease, in whole or in part, some or all of the requirements required for vesting of all or a portion of the unvested PSUs; or (ii) waive or decrease some or all of the requirements for settlement of PSUs. The Company reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without the consent of the Participant, to comply with Code Section 409A, to otherwise avoid imposition of any additional tax or income recognition under Code Section 409A in connection with these PSUs, or to comply with other Applicable Laws.

(k) Waiver. The Participant acknowledges that a waiver by the Company of a breach of any provision of this Agreement will not operate or be construed as a waiver of any other provision of this Agreement or of any subsequent breach of this Agreement by the Participant.

(l) Language. The Participant acknowledges that the Participant is sufficiently proficient in English, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Participant to understand the terms of this Agreement. If Participant has received this Agreement, or any other document related to these PSUs and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

EXHIBIT B

COUNTRY ADDENDUM TO RESTRICTED STOCK UNIT AGREEMENT

Terms and Conditions

This Country Addendum to Restricted Stock Unit Agreement (the “*Country Addendum*”) includes additional terms and conditions that govern these PSUs granted to the Participant under the Plan if the Participant resides and/or works in one of the countries listed below on the Grant Date or the Participant moves to one of the listed countries. Unless otherwise defined herein, capitalized terms used but not defined herein shall have the same meanings as set forth in the Plan and the Agreement.

If the Participant is a citizen or resident of a country (or if the Participant is considered as such for local law purposes) other than the one in which the Participant is currently residing and/or working, or if the Participant transfers to another country after being granted the PSUs, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to the Participant.

Notifications

This Country Addendum may also include information regarding securities laws, exchange controls, and certain other issues of which the Participant should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, and other Applicable Laws in effect in the respective countries as of August 2021. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Country Addendum as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the Participant vests in or sells the Shares acquired under the Plan.

In addition, the information contained in this Country Addendum is general in nature and may not apply to the Participant’s particular situation, and the Company is not in a position to assure the Participant of a particular result. The Participant is advised to seek appropriate professional advice as to how the relevant laws in the Participant’s country may apply to the Participant’s situation.

Finally, if the Participant is a citizen or resident of a country other than the one in which the Participant is currently residing and/or working, transfers employment after these PSUs are granted, or is considered a resident of another country for local law purposes, the information in this Country Addendum may not apply to the Participant in the same manner, and the Administrator will determine to what extent the terms and conditions in this Country Addendum apply.

The Participant acknowledges that the Participant has been advised to seek appropriate professional advice as to how the relevant exchange control and tax laws in the Participant’s country may apply to the Participant’s individual situation.

I. GLOBAL PROVISIONS APPLICABLE TO PARTICIPANTS IN ALL COUNTRIES OTHER THAN THE UNITED STATES

1. Foreign Exchange Considerations. The Participant understands and agrees that neither the Company nor any Parent, Subsidiary or employer shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the U.S. dollar that may affect the value of the PSUs, or of any amounts due to the Participant under the Plan or as a result of vesting in the PSUs and/or the subsequent sale of any Shares acquired under the Plan. The Participant agrees and acknowledges that the Participant will bear any and all risk associated with the exchange or fluctuation of currency associated with the Participant's participation in the Plan. The Participant acknowledges and agrees that the Participant may be responsible for reporting inbound transactions or fund transfers that exceed a certain amount. The Participant is advised to seek appropriate professional advice as to how the exchange control regulations apply to the PSUs and the Participant's specific situation and understands that the relevant laws and regulations can change frequently and occasionally on a retroactive basis.

2. Tax Withholding Considerations. The Participant acknowledges and agrees that Tax Withholdings includes any or all income tax, social security, social insurances, national insurance contributions, social insurance contributions, payroll tax, fringe benefit, or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant including, without limitation, in connection with the grant of the PSUs, the acquisition or sale of Shares acquired under the Plan and/or the receipt of any dividends on such Shares.

Prior to any tax withholding event, the Participant agrees to make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or any Parent, Subsidiary, affiliate, employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax Withholdings by one or a combination of the methods set forth in Section 7 of the Agreement.

3. Nature of Grant. In accepting the PSUs, the Participant acknowledges, understands, and agrees that:

(a) the PSU grant and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or services contract with the Company, or any Parent, Subsidiary, affiliate, or employer and shall not interfere with the ability of the Company, the employer or any Parent, Subsidiary, affiliate, or employer, as applicable, to terminate the Participant's employment or service relationship (if any);

(b) for purposes of the PSUs, the Participant's status as a Service Provider, including service contracted through a professional employment organization, will be considered terminated as of the date the Participant is no longer actively providing services to the Company or any Parent, Subsidiary, or affiliate (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is a Service Provider or the terms of the Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, the Participant's right to vest in the PSUs under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, the Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is a Service Provider or the terms of the Participant's employment or service agreement, if any, unless the Participant is providing bona fide services during such time). The Administrator will have the exclusive discretion to determine when the Participant is no longer actively providing services for purposes of this PSU grant, including whether the Participant may still be considered to be providing services while on a leave of absence and consistent with local law); and

(c) no claim or entitlement to compensation or damages will arise from forfeiture of the PSUs resulting from the termination of the Participant's status as a Service Provider (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction

where the Participant is a Service Provider or the terms of the Participant's employment or service agreement, if any), and in consideration of the grant of the PSUs to which the Participant is otherwise not entitled, the Participant irrevocably agrees never to institute any claim against the Company or any Parent, Subsidiary, or affiliate, waives the Participant's ability, if any, to bring any such claim, and releases each of the Company or any Parent, Subsidiary, or affiliate from any such claim. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant will be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

4. Professional Employment Organizations. Each Participant, including a Participant engaged through a third-party professional employment organization, is an individual Service Provider. A professional employment organization will not be considered a Service Provider for purposes of this Agreement.

II. COUNTRY SPECIFIC PROVISIONS APPLICABLE TO PARTICIPANTS WHO PROVIDE SERVICES IN THE IDENTIFIED COUNTRIES

Australia

General Advice Only. Any advice given by the Company or its affiliates, Parent, or Subsidiaries in relation to the PSUs granted under the Plan does not take into account the objectives, financial situation, and needs of Participants in Australia to whom PSUs are granted ("**Australian Participants**"). Australian Participants should consider obtaining their own financial product advice from an independent person who is licensed by the Australian Securities & Investments Commission ("**ASIC**") to give such advice.

Acquisition Price. No acquisition price is payable by Australian Participants for the Company to grant the Participant the number of PSUs set forth in the Notice of Grant.

Risks of Acquiring Shares. Investing in stock involves risk and the value of the PSUs can rise and fall with any rise or fall in the value of the Shares. Again, any advice given by the Company in relation to the PSUs does not take into account the personal objectives, financial situation, and needs of the Australian Participants. Australian Participants should satisfy themselves that they have a sufficient understanding of risks of acquiring and holding Shares, and should consider whether the Shares are a suitable investment, considering the Australian Participant's own investment objectives, financial circumstances, and taxation position. Accordingly, Australian Participants should consider obtaining their own financial advice by a financial advisor (licensed by ASIC to give such advice).

Market Price in Australian Dollars. An Australian Participant could, from time to time, ascertain the market price of Shares by obtaining that price from the Nasdaq website, the Company website, or The Wall Street Journal, and multiplying that price by a published exchange rate to convert U.S. Dollars into Australian Dollars.

Deferral of Tax Payable. Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to all PSUs issued under this Agreement to Australian Participants.

Data Privacy. The Participant acknowledges and agrees that if the Company or its affiliates, Parent, or Subsidiaries discloses any personal information about the Participant to a recipient outside of Australia then the Company and its affiliates, Parent, and Subsidiaries will not be: (a) required by law to take steps to ensure that the recipient complied with the Australian Privacy Principles; or (b) responsible for any breaches of the Australian Privacy Principles by the recipient in respect of that information. The Participant consents to the collection of the Participant's personal information by the Company, its affiliates, Parent, and Subsidiaries about the Participant under this Agreement being disclosed to recipients outside of Australia.

Exchange Control Information. The Participant understands that the Participant may have exchange control reporting obligations in connection with transfers that exceed A\$10,000. The bank handling the transaction will generally complete the reporting requirements.

Brazil

Exchange Control Information. When transferring amounts resulting from the sale of Shares to Brazil, such funds must be transferred by wire and declared as such through the foreign exchange closing operations of the Participant's preferred financial institution in Brazil. The amounts received from abroad also must, subsequently, be declared by the Participant for tax purposes. By participating in the Plan, the Participant understands that the Participant is generally required to make an annual report

of shares held outside Brazil to the tax authorities and the Central Bank if such holdings exceed a specified limit (typically US\$100,000).

Canada

Authorization to Release Necessary Personal Information. The Participant hereby authorizes the Company (including any affiliate, Parent, or Subsidiary) and the Company's (including its affiliate's, Parent's, or Subsidiary's) representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Company and any affiliate, Parent, or Subsidiary and the Company's designated Plan broker(s) or other third-party stock plan service providers to disclose and discuss the Plan with their advisors. The Participant further authorizes the Participant's employer to record such information and to keep such information in the Participant's personnel file.

English Language Provisions for the Participants in Quebec. The Participant hereby consents to receive Plan information in English through the Participant's enrollment in the Plan and entrance into this Agreement. Specifically, the Participant acknowledges as follows:

It is my express wish that this Agreement, as well as all documents, notices, and legal proceedings entered into, given, or instituted pursuant hereto or relating directly or indirectly hereto, including the Plan, be drawn up in English.

Disposition relative à l'utilisation de la langue anglaise. Par la présente, j'accepte de recevoir les informations relatives au Plan et l'achat d'actions en anglais par le biais de mon inscription au Plan et l'entrée dans la Agreement. Particulièrement, j'accepte comme suit:

Il est la volonté expresse du moi que cette Agreement, ainsi que tous les documents, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à la présente convention, y compris le Plan, être rédigés en anglais.

Form of PSU Settlement. The grant of the PSUs does not give the Participant any right to receive a cash payment, and the PSUs held by Canadian Participants may be settled only in Shares.

Tax Reporting Obligation. Foreign property (including the PSUs granted under the Plan and the underlying Shares) held by Canadian Participants must be reported annually on Form T1135 (Foreign Income Verification Statement) if the total value of such foreign property exceeds C\$100,000 at any time during the year. The form must be filed by April 30 of the following year.

Egypt

Any transfer of funds in connection with the Plan must be via a licensed bank in Egypt.

Germany

Tax Indemnity. The Participant agrees to indemnify and keep indemnified the Company, any non-U.S. affiliate, Parent, or Subsidiary from and against any liability for or obligation to pay any obligation with respect to Tax Withholdings (including but not limited to wage tax, solidarity surcharge, church tax, or social security contributions) that is attributable to (1) the grant or settlement of, or any benefit derived by the Participant from, the PSUs, (2) the acquisition by the Participant of the Shares upon settlement of the PSUs, or (3) the disposal of any Shares.

Exchange Control Information. The Participant understands that if the Participant remits proceeds in excess of €12,500 out of or into Germany, such cross-border payment must be reported monthly to the State Central Bank. In the event that the Participant makes or receives a payment in excess of this amount, the Participant understands and agrees that the Participant is responsible for obtaining the appropriate form from a German bank and complying with applicable reporting requirements. In addition, the Participant must also report on an annual basis in the event that the Participant holds Shares exceeding 10% of the total voting capital of the Company. The online filing portal can be accessed at www.bundesbank.de.

India

Foreign Assets Reporting Information. The Participant understands that the Participant must declare foreign bank accounts and any foreign financial assets (including Shares acquired pursuant to the Plan held outside India) in the Participant's annual tax return. The Participant further understands that it is the Participant's responsibility to comply with this reporting obligation and the Participant should consult with the Participant's personal tax advisor in this regard. Indian residents should consult with their personal tax advisor to determine their personal reporting obligations.

Exchange Control Information. The Participant understands that the Participant must repatriate any proceeds from the sale of Shares acquired under the Plan or the receipt of any dividends to India within 90 days of receipt and convert such amounts to local currency within 180 days of receipt. The Participant further understands that the Participant must obtain a foreign inward remittance certificate ("**FIRC**") from the bank where the Participant deposits the foreign currency and maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Participant's employer requests proof of repatriation.

Ireland

Director Reporting Obligation. If the Participant is a director, shadow director, or secretary of a Subsidiary in Ireland, the Participant must notify the Irish Subsidiary in writing within five business days of receiving or disposing of an interest in the Company (*e.g.*, PSUs, Shares), or within five business days of becoming aware of the event giving rise to the notification requirement or within five days of becoming a director or secretary if such an interest exists at the time. This notification requirement also applies with respect to the interests of the Participant's spouse or children under the age of 18, whose interests will be attributed to the Participant if the Participant is a director, shadow director, or secretary.

Mexico

The Participant acknowledges and agrees that the PSU grant and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or services contract with the Company, or any Parent, Subsidiary, or affiliate of the Company and the Participant agrees not to make a claim, now or in the future, that receipt of the PSU grant has created an

employment or service relationship with the Company or any Parent, Subsidiary, or affiliate of the Company.

Netherlands

Insider Trading Information. By accepting the PSUs, the Participant acknowledges that it is the Participant's responsibility to be aware of the Dutch insider trading rules, which may affect the sale of Shares that the Participant acquires upon settlement of the PSUs. In particular, the Participant understands and acknowledges that (i) the Participant has reviewed the summary of the Dutch insider trading rules below and (ii) the Participant may be prohibited from effecting certain transactions in Shares if the Participant has insider information regarding the Company. The Participant acknowledges and understands that the Participant has been advised to read the discussion carefully to determine whether the insider rules could apply to the Participant. If the Participant is uncertain whether the insider rules apply to the Participant or the Participant's situation, the Participant acknowledges that the Company recommends that the Participant consult with a legal advisor. The Participant acknowledges and agrees that the Company cannot be held liable if the Participant violates the Dutch insider trading rules. The Participant acknowledges and agrees that the Participant is responsible for ensuring the Participant's own compliance with these rules.

Summary of Dutch Prohibition Against Insider Trading. Dutch securities laws prohibit insider trading. The regulations are based upon the European Market Abuse Directive and are stated in section 5:56 of the Dutch Financial Supervision Act (Wet op het financieel toezicht or Wft) and in section 2 of the Market Abuse Decree (Besluit marktmisbruik Wft). For further information, see the website of the Authority for the Financial Markets (AFM): [Insider dealing](#), [Market abuse](#), [AFM Professionals](#).

Singapore

Securities Notice. **The award of the PSUs is being made in reliance of section 272B of the Securities and Futures Act (Cap. 289) ("SFA") for which it is exempt from the prospectus and registration requirements under the SFA.** The Participant understands that the Shares have not been registered with the SFA and no prospectus has been registered by the Monetary Authority of Singapore.

Director Notification Obligation. If the Participant is a director, shadow director, or holds any similar position¹ of a Singapore-incorporated company (each a "**Singapore company**") (*e.g.*, the Company, any Singapore Subsidiary or Singapore affiliate), the Participant is subject to certain notification requirements under section 164 of the Singapore Companies Act to enable the Singapore company to comply with its obligations to maintain a register of director's shareholdings ("**Register**"). Among these requirements is an obligation to notify the Singapore company in writing of:

- (a) shares in, debentures of, or participatory interests made available by, the Singapore company or its related corporation which are held by the Participant;
- (b) any interest that the Participant has in shares in, debentures of, or participatory interests made available by, the Singapore company or its related corporation, and the nature and extent of that interest under Section 7 of the Singapore Companies Act (which provides for the circumstances under which a deemed interest in shares may arise);
- (c) rights or options that the Participant has in respect of the acquisition or disposal of shares in the Singapore company or its related corporation; and

¹ Under section 4(1) of the Singapore Companies Act, the term "director" includes any person occupying the position of director of a corporation by whatever name called.

- (d) contracts to which the Participant is a party or under which the Participant is entitled to a benefit, being contracts under which a person has a right to call for or to make delivery of shares in the Singapore company or its related corporation.

The Participant must notify the Singapore company in writing when there is any change in the particulars of the Participant's interests as mentioned above (including when the Participant sells Shares issued from the Plan).

The Participant is deemed to hold or have an interest or a right in or over any shares or debentures, if:

- (a) The Participant's spouse (not being himself or herself a director or chief executive officer) holds or has an interest or a right in or over such shares or debentures; or
- (b) The Participant's child of less than 18 years of age, including stepson, stepdaughter, adopted son or adopted daughter (not being himself or herself a director or chief executive officer) holds or has an interest in such shares or debentures.

In addition, any contract, assignment, or right of subscription shall be deemed to have been entered into or exercised or made by, or a grant shall be deemed as having been made to, the Participant if any contract, assignment, or right of subscription is entered into, exercised or made by, or a grant is made to, members of the Participant's family as aforesaid (not being himself or herself a director or chief executive officer).

Particulars of the Participant's interests as mentioned above must be given within two business days after (i) the date on which the Participant became a director of the Singapore company, or (ii) the date on which the Participant became a registered holder of or acquired an interest as mentioned above, whichever last occurs. Particulars of any change in the Participant's interests must also be given within two business days of the change.

Spain

Securities Law Notice. The PSUs do not qualify under Spanish Law as a security. No "offer to the public," as defined under Spanish Law, has taken place or will take place in the Spanish territory. Neither the Plan nor this Agreement have been registered with the *Comisión Nacional del Mercado de Valores* and do not constitute a public offering prospectus.

Foreign Assets Reporting. The Participant may be subject to certain tax reporting requirements with respect to assets or rights that the Participant holds outside of Spain, including bank accounts, securities, and real estate if the aggregate value for particular category of assets exceeds €50,000 as of December 31 each year. Shares acquired under the Plan or other equity programs offered by the Company constitute securities for purposes of this requirement, but unvested PSUs are not subject to this reporting requirement.

If applicable, the Participant must report the Participant's foreign assets on Form 720 by no later than March 31 following the end of the relevant year. After the rights and/or assets are initially reported, the reporting obligation will only apply if the value of previously reported rights or assets increases by more than €20,000 as of each subsequent December 31. The Participant is encouraged to consult with the Participant's personal advisor to determine any obligations in this respect.

In addition, the Participant must notify the Registry of Investments at the Spanish Ministry of Industry, Commerce and Tourism of investments in securities of companies not listed in Spain, which are deposited in a non-resident account. The Participant must file form D-6 by January 31 each year stating the value of their investments in non-Spanish listed shares as of December 31 of the previous calendar year.

Share Reporting Requirement. The acquisition of shares of stock must be declared for statistical purposes to the Direccion General de Comercio e Inversiones, the Bureau for Commerce and Investments, which is a department of the Ministry of Economy and Competitiveness. Generally, the declaration must be filed in January for shares owned as of December 31 of each year; however, if the value of the shares acquired or the amount of the sale proceeds exceeds a designated amount the declaration must be filed within one month of the acquisition or sale, as applicable. The Participant should consult with the Participant's personal advisor to determine the Participant's obligations in this respect.

Foreign Currency Payments. When receiving foreign currency payments exceeding €50,000 derived from the ownership of shares (*i.e.*, dividends or proceeds from the sale of the Shares), the Participant must inform the financial institution receiving the payment of the basis upon which such payment is made. The Participant will need to provide the following information: (i) the Participant's name, address, and fiscal identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment and the currency used; (iv) the country of origin; (v) the reasons for the payment; and (vi) further information that may be required.

Turkey

Securities Law Information. The Participant acknowledges and agrees that the offer of the PSUs has been made by the Company to the Participant personally in connection with an existing relationship with the Company or one or more of its Parent, Subsidiaries, or affiliates, and further, that the PSUs, any Shares issued upon settlement of the PSUs, and the related offer thereof are not subject to regulation by any securities regulator in Turkey.

United Kingdom

Tax Obligations. The Participant agrees to indemnify and keep indemnified the Company and its Parent, Subsidiaries, and affiliates, from and against any liability for or obligation to pay any Tax Liability (a "**Tax Liability**" being any liability for income tax, withholding tax, and any other employment related taxes, employee's national insurance contributions or employer's national insurance contributions or equivalent social security contributions in any jurisdiction) that is attributable to (1) the grant of, or any benefit derived by the Participant from, the PSUs, (2) the Participant's acquisition of Shares upon settlement of the PSUs, or (3) the disposal of any Shares.

Tax Withholdings shall include primary and to the extent legally possible secondary class 1 National Insurance Contributions. The Participant agrees that the Company may calculate the Tax-Related Items to be withheld and accounted for by reference to the maximum applicable rates, without prejudice to any right the Participant may have to recover any overpayment from relevant U.K. tax authorities. The Participant understands and agrees that if payment or withholding of any income tax liability arising in connection with the Participant's participation in the Plan is not made by the Participant to the Participant's employer within ninety days of the event giving rise to such income tax liability or such other period specified in Section 222(1)I of the U.K. Income Tax (Earnings and Pensions) Act 2003, that the amount of any uncollected income tax will constitute an additional benefit to the Participant on which additional income tax and National Insurance Contributions will be payable. The Participant understands and agrees that the Participant is responsible for reporting and paying any income tax due on this additional benefit directly to Her Majesty's Revenue and Customs under the self-assessment regime and for reimbursing the Company for the value of any primary and (to the extent legally possible) secondary class 1 National Insurance Contributions due on this additional benefit which the Company may recover from the Participant by any of the means referred to in the Plan and/or this Agreement.

At the discretion of the Company, the Company may delay settlement of the Participant's PSUs until the Participant has entered into an election with the Company or the Service Recipient, as appropriate, in a form approved by the Company and Her Majesty's Revenue & Customs (a "**Joint**

Election”) under which any liability of the Company and/or the Service Recipient for employer’s national insurance contributions arising in respect of the vesting or settlement of the PSUs or other dealing in the Shares, is transferred to and met by the Participant.

Form of PSU Settlement. The grant of the PSUs does not give the Participant any right to receive a cash payment, and the PSUs held by British Participants may be settled only in Shares.

EXHIBIT C

VESTING SCHEDULE AND PERFORMANCE GOALS

The portion of the PSUs in which Participant may vest in accordance with the Vesting Schedule below will depend upon achievement of “corporate performance metrics” set forth in and in accordance with the performance matrix set forth below (the “**Performance Matrix**”). Any PSUs that become eligible for time-based vesting based on achievement of the “corporate performance metrics” set forth in the Performance Matrix shall be referred to herein as “**Eligible PSUs**” and be eligible for vesting in accordance with the Vesting Schedule below.

Following the Corporate Performance Period, the Administrator will certify whether and to what extent the corporate performance metrics have been achieved for the Corporate Performance Period (the effective date of such certification, the “**Determination Date**”).

The actual number of Eligible PSUs subject to vesting under the Vesting Schedule set forth below, if any, upon achievement of the corporate performance metrics will be rounded down to the nearest whole number so as to avoid fractional units. Any PSUs that do not become Eligible PSUs based on achievement against the corporate performance metrics, as determined by the Administrator, will be immediately forfeited and returned to the Plan share reserve at no cost to the Company.

Vesting Schedule

Subject to any acceleration provisions contained in the Plan or as otherwise set forth below, any Eligible PSUs will vest in accordance with the following schedule: 25% of the total Eligible PSUs will vest on the first trading date following the Determination Date and 1/16th of the total Eligible PSUs will vest over approximately three years following the Determination Date on each of March 15, June 15, September 15, and December 15, with June 15 following the Determination Date being the first such quarterly vesting date (each such quarterly date, a “**Quarterly Vest Date**”), subject to the Participant remaining a Service Provider through the applicable vesting date.

Treatment upon Change in Control

If, prior to the end of the Corporate Performance Period, there is a Change in Control, and the Participant remains a Service Provider through the closing of such Change in Control (the “**Closing**”), then, immediately prior to the Closing, a number of any outstanding and unvested PSUs will become Eligible PSUs equal to the greater of (i) the number of PSUs that would have become Eligible PSUs based on 100% achievement of the corporate performance metrics under the Performance Matrix; or (ii) the number of PSUs that would have become Eligible PSUs based on achievement of the corporate performance metrics under the Performance Matrix as of the Closing, as determined by the Administrator in its sole discretion.

If, following the end of the Corporate Performance Period but prior to the Determination Date, there is a Change in Control, and the Participant remains a Service Provider through the Closing, then, immediately prior to the Closing, a number of outstanding and unvested PSUs will become Eligible PSUs equal to the number of PSUs (if any) that would have become Eligible PSUs based on achievement of the corporate performance metrics under the Performance Matrix as of the end of the Corporate Performance Period, as determined by the Administrator in its sole discretion.

Outstanding and unvested Eligible PSUs will be treated as Restricted Stock Units subject to time-based vesting in a Change in Control for all purposes under the Plan and any agreement between the Company and Participant.

Any PSUs that do not become Eligible PSUs in connection with a Change in Control will be immediately forfeited and returned to the Plan share reserve at no cost to the Company immediately prior to the Closing.

UDEMY, INC.

CHANGE IN CONTROL AND SEVERANCE AGREEMENT

This Change in Control and Severance Agreement (this “**Agreement**”) is made between UdeMy, Inc. (the “**Company**”) and Stephanie Stapleton Sudbury (the “**Executive**”), effective as of the date signed below (the “**Effective Date**”).

This Agreement provides certain protections to the Executive in connection with a change in control of the Company or in connection with the involuntary termination of the Executive’s employment under the circumstances described in this Agreement.

The Company and the Executive agree as follows:

1. Term of Agreement. This Agreement will have an initial term commencing on the Effective Date and ending on September 1, 2024 (the “**Initial Term**”). At the end of the Initial Term and each third (3rd) anniversary thereafter, this Agreement will renew automatically for additional, three (3) year terms (each, an “**Additional Term**”) unless either party provides the other party with written notice of nonrenewal at least sixty (60) days prior to the date of automatic renewal. Notwithstanding the foregoing, if a Change in Control occurs when there are fewer than twelve (12) months remaining during the Initial Term or Additional Term, as applicable, the term of this Agreement will extend automatically through the date that is twelve (12) months following the date of the Change in Control. If the Executive becomes entitled to the benefits under Section 3 of this Agreement, then the Agreement will not terminate until all of the obligations of the parties hereto with respect to this Agreement have been satisfied.

2. At-Will Employment. The Company and the Executive acknowledge that the Executive’s employment is and will continue to be at-will, as defined under applicable law.

3. Severance Benefits.

(a) Qualifying Non-CIC Termination. On a Qualifying Non-CIC Termination (as defined below), the Executive will be eligible to receive the following payments and benefits from the Company:

(i) *Severance.* A single, lump sum payment equal to six (6) months of the Executive’s Salary (as defined below), less applicable withholdings.

(ii) *COBRA Coverage.* Subject to Section 3(d), the Company will pay the premiums for coverage under COBRA (as defined below) for the Executive and the Executive’s eligible dependents, if any, at the rates then in effect, subject to any subsequent changes in rates that are generally applicable to the Company’s active employees (the “**COBRA Coverage**”), until the earliest of (A) a period of six (6) months from the date of the Executive’s termination of employment, (B) the date upon which the Executive (and the Executive’s eligible dependents, as applicable) becomes covered under similar plans, or (C) the date upon which the Executive ceases to be eligible for coverage under COBRA.

(b) Qualifying CIC Termination. On a Qualifying CIC Termination, the Executive will be eligible to receive the following payments and benefits from the Company:

(i) *Severance*. A single, lump sum payment equal to twelve (12) months of the Executive's Salary *plus* 100% of the Executive's Target Bonus, less applicable withholdings.

(ii) *COBRA Coverage*. Subject to Section 3(d), the Company will provide COBRA Coverage until the earliest of (A) a period of twelve (12) months from the date of the Executive's termination of employment, (B) the date upon which the Executive (and the Executive's eligible dependents, as applicable) becomes covered under similar plans, or (C) the date upon which the Executive ceases to be eligible for coverage under COBRA.

(iii) *Equity Vesting Acceleration*. Vesting acceleration (and exercisability, as applicable) as to 100% of the then-unvested shares subject to each of the Executive's then-outstanding compensatory equity awards issued by the Company. In the case of an equity award with performance-based vesting, unless otherwise specified in the applicable equity award agreement governing such award, all performance goals and other vesting criteria will be deemed achieved at target.

(c) Termination Other Than a Qualifying Termination. If the termination of the Executive's employment with the Company Group is not a Qualifying Termination, then the Executive will not be entitled to receive severance or other benefits.

(d) Conditions to Receipt of COBRA Coverage. The Executive's receipt of COBRA Coverage is subject to the Executive electing COBRA continuation coverage within the time period prescribed pursuant to COBRA for the Executive and the Executive's eligible dependents, if any. If the Company determines in its sole discretion that it cannot provide the COBRA Coverage without potentially violating, or being subject to an excise tax under, applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then in lieu of any COBRA Coverage, the Company will provide to the Executive a taxable monthly payment payable on the last day of a given month (except as provided by the immediately following sentence), in an amount equal to the monthly COBRA premium that the Executive would be required to pay to continue his or her group health coverage in effect on the date of his or her Qualifying Termination (which amount will be based on the premium rates applicable for the first month of COBRA Coverage for the Executive and any of eligible dependents of the Executive) (each, a "**COBRA Replacement Payment**"), which COBRA Replacement Payments will be made regardless of whether the Executive elects COBRA continuation coverage and will end on the earlier of (x) the date upon which the Executive obtains other employment or (y) the date the Company has paid an amount totaling the number of COBRA Replacement Payments equal to the number of months in the applicable COBRA Coverage period. For the avoidance of doubt, the COBRA Replacement Payments may be used for any purpose, including, but not limited to continuation coverage under COBRA, and will be subject to any applicable withholdings. Notwithstanding anything to the contrary under this Agreement, if the Company determines in its sole discretion at any time that it cannot provide the COBRA Replacement Payments without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Executive will not receive the COBRA Replacement Payments or any further COBRA Coverage.

(e) Non-Duplication of Payment or Benefits. For purposes of clarity, in the event of a Qualifying Pre-CIC Termination, any severance payments and benefits to be provided to the Executive under Section 3(b) will be reduced by any amounts that already were provided to the Executive under Section 3(a). Notwithstanding any provision of this Agreement to the contrary, if the

Executive is entitled to any cash severance, continued health coverage benefits, or vesting acceleration of any equity awards (other than under this Agreement) by operation of applicable law or under a plan, policy, contract, or arrangement sponsored by or to which any member of the Company Group is a party (“**Other Benefits**”), then the corresponding severance payments and benefits under this Agreement will be reduced by the amount of Other Benefits paid or provided to the Executive.

(f) Death of the Executive. In the event of the Executive’s death before all payments or benefits the Executive is entitled to receive under this Agreement have been provided, the unpaid amounts will be provided to the Executive’s designated beneficiary, if living, or otherwise to the Executive’s personal representative in a single lump sum as soon as possible following the Executive’s death.

(g) Transfer Between Members of the Company Group. For purposes of this Agreement, if the Executive is involuntarily transferred from one member of the Company Group to another, the transfer will not be a termination without Cause but may give the Executive the ability to resign for Good Reason.

(h) Exclusive Remedy. In the event of a termination of the Executive’s employment with the Company Group, the provisions of this Agreement are intended to be and are exclusive and in lieu of any other rights or remedies to which the Executive may otherwise be entitled, whether at law, tort or contract, or in equity. The Executive will be entitled to no benefits, compensation or other payments or rights upon termination of employment other than those benefits expressly set forth in this Agreement.

4. Accrued Compensation. On any termination of the Executive’s employment with the Company Group, the Executive will be entitled to receive all accrued but unpaid vacation, expense reimbursements, wages, and other benefits due to the Executive under any Company-provided plans, policies, and arrangements.

5. Conditions to Receipt of Severance.

(a) Separation Agreement and Release of Claims. The Executive’s receipt of any severance payments or benefits upon the Executive’s Qualifying Termination under Section 3 is subject to the Executive signing and not revoking the Company’s then-standard separation agreement and release of claims (which may include an agreement not to disparage any member of the Company Group, non-solicit provisions, an agreement to assist in any litigation matters, and other standard terms and conditions) (the “**Release**” and that requirement, the “**Release Requirement**”), which must become effective and irrevocable no later than the sixtieth (60th) day following the Executive’s Qualifying Termination (the “**Release Deadline**”). If the Release does not become effective and irrevocable by the Release Deadline, the Executive will forfeit any right to severance payments or benefits under Section 3.

(b) Payment Timing. Any lump sum severance payment under Section 3(a)(i) or 3(b)(i) will be provided on the first regularly scheduled payroll date of the Company following the date the Release becomes effective and irrevocable (the “**Severance Start Date**”), subject to any delay required by Section 5(d) below. Any taxable installments of any COBRA-related severance benefits that otherwise would have been made to the Executive on or before the Severance Start Date will be paid on the Severance Start Date, and any remaining installments thereafter will be provided as specified in the Agreement. Any restricted stock units, performance shares, performance units, and/or similar full value awards that accelerate vesting under Section 3 will be settled (x) on a date no later

than ten (10) days following the date the Release becomes effective and irrevocable, or (y) if later, in the event of a Qualifying Pre-CIC Termination, on a date no later than the Change in Control.

(c) Return of Company Property. The Executive's receipt of any severance payments or benefits upon the Executive's Qualifying Termination under Section 3 is subject to the Executive returning all documents and other property provided to the Executive by any member of the Company Group (with the exception of a copy of the Company employee handbook and personnel documents specifically relating to the Executive), developed or obtained by the Executive in connection with his or her employment with the Company Group, or otherwise belonging to the Company Group.

(d) Section 409A. The Company intends that all payments and benefits provided under this Agreement or otherwise are exempt from, or comply with, the requirements of Section 409A of the Code and any guidance promulgated under Section 409A of the Code (collectively, "**Section 409A**") so that none of the payments or benefits will be subject to the additional tax imposed under Section 409A, and any ambiguities in this Agreement will be interpreted in accordance with this intent. No payment or benefits to be paid to the Executive, if any, under this Agreement or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the "**Deferred Payments**") will be paid or otherwise provided until the Executive has a "separation from service" within the meaning of Section 409A. If, at the time of the Executive's termination of employment, the Executive is a "specified employee" within the meaning of Section 409A, then the payment of the Deferred Payments will be delayed to the extent necessary to avoid the imposition of the additional tax imposed under Section 409A, which generally means that the Executive will receive payment on the first payroll date that occurs on or after the date that is six (6) months and one (1) day following the Executive's termination of employment. The Company reserves the right to amend this Agreement as it considers necessary or advisable, in its sole discretion and without the consent of the Executive or any other individual, to comply with any provision required to avoid the imposition of the additional tax imposed under Section 409A or to otherwise avoid income recognition under Section 409A prior to the actual payment of any benefits or imposition of any additional tax. Each payment, installment, and benefit payable under this Agreement is intended to constitute a separate payment for purposes of U.S. Treasury Regulation Section 1.409A-2(b)(2). In no event will any member of the Company Group reimburse, indemnify, or hold harmless the Executive for any taxes, penalties and interest that may be imposed, or other costs that may be incurred, as a result of Section 409A.

(e) Resignation of Officer and Director Positions. The Executive's receipt of any severance payments or benefits upon the Executive's Qualifying Termination under Section 3 is subject to the Executive resigning from all officer and director positions with all members of the Company Group and the Executive executing any documents the Company may require in connection with the same.

6. **Limitation on Payments.**

(a) Reduction of Severance Benefits. If any payment or benefit that the Executive would receive from any Company Group member or any other party whether in connection with the provisions in this Agreement or otherwise (the "**Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then the Payment will be equal to the Best Results Amount. The "**Best Results Amount**" will be either (x) the full amount of the Payment or (y) a lesser amount that would result in no portion of the Payment being subject to the Excise Tax, whichever of those amounts, taking into account the applicable federal, state, and local employment

taxes, income taxes, and the Excise Tax, results in the Executive's receipt, on an after-tax basis, of the greater amount. If a reduction in payments or benefits constituting parachute payments is necessary so that the Payment equals the Best Results Amount, reduction will occur in the following order: (A) reduction of cash payments in reverse chronological order (that is, the cash payment owed on the latest date following the occurrence of the event triggering the Excise Tax will be the first cash payment to be reduced); (B) cancellation of equity awards that were granted "contingent on a change in ownership or control" within the meaning of Section 280G of the Code in the reverse order of date of grant of the awards (that is, the most recently granted equity awards will be cancelled first); (C) reduction of the accelerated vesting of equity awards in the reverse order of date of grant of the awards (that is, the vesting of the most recently granted equity awards will be cancelled first); and (D) reduction of employee benefits in reverse chronological order (that is, the benefit owed on the latest date following the occurrence of the event triggering the Excise Tax will be the first benefit to be reduced). In no event will the Executive have any discretion with respect to the ordering of Payment reductions. The Executive will be solely responsible for the payment of all personal tax liability that is incurred as a result of the payments and benefits received under this Agreement, and the Executive will not be reimbursed, indemnified, or held harmless by any member of the Company Group for any of those payments of personal tax liability.

(b) Determination of Excise Tax Liability. Unless the Company and the Executive otherwise agree in writing, the Company will select a professional services firm (the "**Firm**") to make all determinations required under this Section 6, which determinations will be conclusive and binding upon the Executive and the Company for all purposes. For purposes of making the calculations required by this Section 6, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Executive will furnish to the Firm such information and documents as the Firm reasonably may request in order to make determinations under this Section 6. The Company will bear the costs and make all payments for the Firm's services in connection with any calculations contemplated by this Section 6. The Company will have no liability to the Executive for the determinations of the Firm.

7. **Definitions.** The following terms referred to in this Agreement will have the following meanings:

(a) "**Board**" means the Company's Board of Directors.

(b) "**Cause**" means the occurrence of any of the following: (i) the Executive's willful and continued failure to perform the Executive's assigned duties or responsibilities as an employee of the Company (other than a failure resulting from the Executive's disability) after written notice from the Company describing the basis for the Company's belief that the Executive has failed to perform such duties or responsibilities, and not remedying such failure within thirty (30) days of the Executive's receipt of such notice; (ii) the Executive engaging in any act of dishonesty, fraud, or misrepresentation in connection with the Executive's responsibilities as a Company employee that results in substantial harm to the Company's reputation or business; (iii) the Executive's violation of any federal or state law or regulation applicable to the business of the Company or its affiliates that results in substantial harm to the Company's reputation or business; (iv) the Executive's unauthorized use or disclosure of any proprietary information or trade secrets of the Company; or (v) the Executive being convicted of, or entering a plea of nolo contendere to, a felony.

(c) "**Change in Control**" means the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group (“**Person**”), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty (50%) of the total voting power of the stock of the Company; *provided, however*, that for purposes of this subsection, (A) the acquisition of additional stock by any one Person who is considered to own more than fifty percent (50%) of the total voting power of the stock of the Company will not be considered a Change in Control and (B) if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company’s voting stock immediately prior to the change in ownership, the direct or indirect beneficial ownership of fifty percent (50%) or more of the total voting power of the stock of the Company or of the ultimate parent entity of the Company, such event will not be considered a Change in Control under this subsection (i). For this purpose, indirect beneficial ownership will include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities;

(ii) A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by members of the Board whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this subsection (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Company’s assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; *provided, however*, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company’s assets: (A) a transfer to an entity that is controlled by the Company’s stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company’s stock, (2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Section 409A. Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if its sole purpose is to either (i) change the state of the Company’s incorporation or

(ii) create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(d) "**Change in Control Period**" means the period beginning three (3) months prior to a Change in Control and ending twelve (12) months following a Change in Control.

(e) "**COBRA**" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(f) "**Code**" means the Internal Revenue Code of 1986, as amended.

(g) "**Company Group**" means the Company and any subsidiaries of the Company.

(h) "**Confidentiality Agreement**" means the At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement that you previously signed.

(i) "**Disability**" means a total and permanent disability as defined in Section 22(e)(3) of the Code.

(j) "**Good Reason**" means the termination of the Executive's employment with the Company Group by the Executive in accordance with the next sentence after the occurrence of one or more of the following events without the Executive's express written consent:

(i) A material reduction of the Executive's authority or responsibilities relative to the Executive's authority or responsibilities in effect immediately prior to such reduction; *provided, however*, that continued employment following a Change in Control with substantially the same duties, authorities, or responsibilities with respect to the Company's business and operations as in effect immediately prior to the Change in Control will not constitute "Good Reason" (for example, "Good Reason" does not exist if the Executive is employed by the parent corporation or any entity within a group of controlled corporations including the Company or its assets (the "**Parent Group**") with substantially the same duties, authorities, or responsibilities with respect to the Company's business that the Executive had immediately prior to the Change in Control regardless of whether the Executive's title is revised to reflect the Executive's placement within the overall corporate hierarchy of the Parent Group or whether the Executive provides services to a subsidiary, affiliate, business unit, or otherwise);

(ii) A material reduction of the Executive's base salary or bonus opportunity, except for reductions that are in proportion to any salary/bonus reduction program approved by the Board that affects a majority of the senior executives of the Company; *provided, however*, that an aggregate reduction of 10% or less will in no instance be deemed material;

(iii) A material change in the geographic location at which the Executive must perform services (for purposes of this Agreement, the Executive's relocation to a facility or a location less than thirty (30) miles from the Executive's then-present location will not be considered a material change in geographic location); or

(iv) Any material breach by the Company of any material provision of this Agreement.

In order for the termination of the Executive's employment with a Company Group member to be for Good Reason, the Executive must not terminate employment without first providing the Company with written notice of the acts or omissions constituting the grounds for "Good Reason" within ninety (90) days of the initial existence of the grounds for "Good Reason" and a reasonable cure period of not less than thirty (30) days following the date of such notice.

(k) "**Qualifying Pre-CIC Termination**" means a Qualifying CIC Termination that occurs prior to the date of the Change in Control.

(l) "**Qualifying Termination**" means a termination of the Executive's employment either (i) by a Company Group member without Cause (excluding by reason of the Executive's death or Disability) or (ii) by the Executive for Good Reason, in either case, during the Change in Control Period (a "**Qualifying CIC Termination**") or outside of the Change in Control Period (a "**Qualifying Non-CIC Termination**").

(m) "**Salary**" means the Executive's annual base salary as in effect immediately prior to the Executive's Qualifying Termination (or if the termination is due to a resignation for Good Reason based on a material reduction in base salary, then the Executive's annual base salary in effect immediately prior to the reduction) or, if the Executive's Qualifying Termination is a Qualifying CIC Termination and the amount is greater, at the level in effect immediately prior to the Change in Control.

(n) "**Target Bonus**" means the Executive's annual (or annualized, as applicable) target bonus in effect immediately prior to the Executive's Qualifying Termination or, if the Executive's Qualifying Termination occurs during the Change in Control Period and the amount is greater, the Executive's annual (or annualized, if applicable) target bonus in effect immediately prior to the Change in Control.

8. Successors. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors, and legal representatives of the Executive upon the Executive's death, and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation, or other business entity which at any time, whether by purchase, merger, or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of the Executive to receive any form of compensation payable pursuant to this Agreement may be assigned or transferred except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance, or other disposition of the Executive's right to compensation or other benefits will be null and void.

9. Notice.

(a) **General.** All notices and other communications required or permitted under this Agreement shall be in writing and will be effectively given (i) upon actual delivery to the party to be notified, (ii) upon transmission by email, (iii) twenty-four (24) hours after confirmed facsimile transmission, (iv) one (1) business day after deposit with a recognized overnight courier, or (v) three (3) business days after deposit with the U.S. Postal Service by first class certified or registered mail, return receipt requested, postage prepaid, addressed (A) if to the Executive, at the address the Executive shall have most recently furnished to the Company in writing, and (B) if to the Company, at the following address:

Udemy, Inc.
600 Harrison Street, 3rd Floor
San Francisco, CA 94107
Attention: General Counsel

(b) Notice of Termination. Any termination by a Company Group member for Cause will be communicated by a notice of termination to the Executive, and any termination by the Executive for Good Reason will be communicated by a notice of termination to the Company, in each case given in accordance with Section 9(a) of this Agreement. The notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than thirty (30) days after the giving of the notice).

10. Resignation. The termination of the Executive's employment for any reason will also constitute, without any further required action by the Executive, the Executive's voluntary resignation from all officer and/or director positions held at any member of the Company Group, and at the Board's request, the Executive will execute any documents reasonably necessary to reflect the resignations.

11. Miscellaneous Provisions.

(a) No Duty to Mitigate. The Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any payment be reduced by any earnings that the Executive may receive from any other source except as specified in Section 3(e).

(b) Waiver; Amendment. No provision of this Agreement will be modified, waived, or discharged unless the modification, waiver, or discharge is agreed to in writing and signed by an authorized officer of the Company (other than the Executive) and by the Executive. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(d) Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes in their entirety all prior representations, understandings, undertakings, or agreements (whether oral or written and whether expressed or implied) of the parties with respect to the subject matter of this Agreement, including, for the avoidance of doubt, any other employment letter or agreement, severance policy or program, or equity award agreement.

(e) Governing Law. This Agreement will be governed by the laws of the State of California without regard to its conflict of law provisions. To the extent that any lawsuit is permitted under this Agreement, Employee hereby expressly consents to the personal and exclusive jurisdiction and venue of the state courts located in San Francisco County, California, or the US federal courts for the Northern District of California, and no other courts, regardless of where Employee's services are performed.

(f) Arbitration. Any and all controversies, claims, or disputes with anyone under this Agreement (including the Company and any employee, officer, director, stockholder or benefit

plan of the Company in their capacity as such or otherwise) arising out of, relating to, or resulting from the Executive's employment with the Company Group, shall be subject to arbitration in accordance with the provisions of the Confidentiality Agreement.

(g) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.

(h) Withholding. All payments and benefits under this Agreement will be paid less applicable withholding taxes. The Company is authorized to withhold from any payments or benefits all federal, state, local, and/or foreign taxes required to be withheld from the payments or benefits and make any other required payroll deductions. No member of the Company Group will pay the Executive's taxes arising from or relating to any payments or benefits under this Agreement.

(i) Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

Signature page follows

By its signature below, each of the parties signifies its acceptance of the terms of this Agreement, in the case of the Company by its duly authorized officer.

UDEMY, INC.

By: /s/ Greg Brown

Name: Greg Brown

Title: Chief Executive Officer

Date: 04/07/2023

EXECUTIVE

By: Stephanie Stapleton Sudbury

Name: Stephanie Stapleton Sudbury

Date: 04/07/2023

Udemy, Inc.**Confirmatory Employment Letter**

March 1, 2023

Stephanie Stapleton
1860 Blake St., Suite 300
Denver, CO 80202

Dear Stephanie:

This letter agreement (the “**Agreement**”) is entered into between Udemy, Inc. (the “**Company**” or “**we**”) and you. This Agreement is effective as of the date signed below (the “**Effective Date**”). The purpose of this Agreement is to confirm the current terms and conditions of your employment.

1. Position. Your current title is President, Udemy Business. This is a full-time, remote position, based out of Colorado. While you render services to the Company, you will not engage in any other employment, consulting or other business activity (whether full time or part-time) directly related to the business in which Udemy is now involved or becomes involved during the term of your employment without the prior approval of the Company’s Board of Directors (the “**Board**”), nor will you engage in any other activities that conflict with your obligations to Udemy. By signing this Agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.

2. Compensation and Benefits.

(a) **Base Salary.** Your rate of annual base salary as of the Effective Date will be \$425,000 per year, less applicable withholding, which will be paid in accordance with the Company’s normal payroll procedures

(b) **Annual Bonus Opportunity.** Your annual target bonus opportunity following the Effective Date will be 70% of your annual base salary (the “**Target Bonus**”). The Target Bonus shall be subject to review and may be adjusted based upon the Company’s normal performance review practices. Your actual bonuses shall be based upon achievement of performance objectives to be determined by the Board in its sole and absolute discretion. Bonuses will be paid as soon as practicable after the Board determines that such bonuses have been earned, but in no event will a bonus be paid to you after the later of (i) the fifteenth (15th) day of the third (3rd) month following the close of the Company’s fiscal year in which such bonus is earned or (ii) March 15 following the calendar year in which such bonus is earned.

(c) **Employee Benefits.** As a full-time employee, you will continue to be eligible to participate in the Company’s standard benefit plans as in effect from time to time, on the same basis as those benefit plans are generally made available to other similarly situated executives of the Company. Such benefit plans are subject to change, and may be supplemented, altered, or eliminated, in part or entirely. Any eligibility to participate in such benefits plans, as well as the terms thereof, shall be as set forth in the governing documents for such plans, or there are no such governing documents, in the Company’s policies.

(d) Equity Awards. You will be eligible to receive compensatory equity awards such as stock options or restricted stock unit awards from the Company on the terms and conditions determined by the Board in its sole discretion.

(e) Expenses. You will be entitled to receive prompt reimbursement for all reasonable expenses incurred by you in the furtherance of or in connection with the performance of your duties hereunder, in accordance with the applicable policy of the Company, as in effect from time to time. In the event that any expense reimbursements are taxable to you, such reimbursements will be made in the time frame specified by Treasury Regulation Section 1.409A-3(i)(1)(iv) unless another time frame that complies with or is exempt from Section 409A is specified in the Company's expense reimbursement policy.

(f) Vacation. Udeemy offers a flexible time off policy pursuant to which you can take a reasonable amount of paid time away from the office for vacation, illness, family emergencies, etc., as necessary.

3. Severance & Change of Control Benefits. In connection with executing this Agreement, you are also entering into the Change in Control and Severance Agreement between you and the Company (the "**Severance Agreement**"), which is incorporated herein by reference.

4. Confidentiality. The Company employs you based upon your knowledge, background, experience and skills and abilities and not because of your knowledge of any previous employer's trade secrets or other company specific information. As a condition of employment at the Company you agree not to disclose or use confidential or proprietary information or trade secrets of any current or prior employer, and that you will not in any way utilize any such information in performing your duties for the Company. In this regard, you may not bring to the Company any documents or other materials in tangible form belonging to or acquired from any prior employer.

5. Proprietary Information and Inventions Agreement. As an employee of the Company, you will continue to have access to certain confidential information of the Company and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, your acceptance of this Agreement reaffirms that the terms of the Company's At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement that you previously signed (the "**Confidentiality Agreement**") continue to be in effect.

6. At-Will Employment. You acknowledge and agree that your employment with the Company will be "at-will" employment and may be terminated at any time with or without cause or notice. You understand and agree that neither your job performance nor commendations, bonuses, or the like from the Company give rise to or in any way serve as the basis for modification, amendment, or extension, by implication or otherwise, of your employment with the Company. You further acknowledge and agree that the Company may modify job titles, salaries and benefits from time to time as it deems necessary. However, as described in this Agreement, you may be eligible to receive severance benefits under the Severance Agreement depending on the circumstances of the termination of your employment with the Company.

7. Tax Matters.

(a) Withholding. All payments made under this Agreement shall be subject to reduction to reflect taxes or other charges required to be withheld by law, and you will be solely responsible for any and all taxes arising in connection with this Agreement and compensation

paid or payable to you, including but not limited to any taxes, penalties and interest, if any, arising under Section 409A.

(b) Section 409A. The Company intends that all payments and benefits provided under this Agreement or otherwise are exempt from, or comply with, the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and any final regulations and guidance thereunder and any applicable state law equivalent, as each may be amended or promulgated from time to time ("Section 409A") so that none of the payments or benefits will be subject to the additional tax imposed under Section 409A, and any ambiguities will be interpreted to so be exempt or comply. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

(c) Tax Advice. You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities.

8. Entire Agreement, Amendment and Enforcement. This Agreement, the Severance Agreement and the Confidentiality Agreement supersede and replace any prior agreements, representations or understandings (whether written, oral, implied or otherwise) between you and the Company, and constitute the complete agreement between you and the Company regarding the subject matter set forth herein. This Agreement may not be amended or modified, except by an express written agreement signed by both you and a duly authorized officer of the Company. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California without regard to the principles of conflict of laws thereof.

9. Miscellaneous.

(a) Arbitration. You agree that any and all controversies, claims, or disputes with anyone (including the Company and any employee, officer, director, shareholder or benefit plan of the Company in their capacity as such or otherwise) arising out of, relating to, or resulting from your service to the Company, will be subject to arbitration in accordance with the provisions of the Confidentiality Agreement.

(b) Successors. In addition to any obligations imposed by law upon any successor to the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

(c) Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

(d) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

(e) Acknowledgment. You acknowledge that you have had the opportunity to discuss this Agreement with and obtain advice from your private attorney, have had sufficient time to, and have carefully read and fully understand all the provisions of this Agreement, and are knowingly and voluntarily entering into this Agreement.

* * * * *

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We are extremely excited about your continued employment with the Company!

Please indicate your acceptance of this Agreement, and confirmation that it contains our complete agreement regarding the terms and conditions of your employment, by signing the bottom portion of this Agreement and returning a copy to me.

Very truly yours,

/s/ Greg Brown

Greg Brown
Chief Executive Officer
Udemy, Inc.

I have read and accept this Agreement:

/s/ Stephanie Stapleton Sudbury
Stephanie Stapleton Sudbury

Dated: 04/07/2023

**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.**

I, Greg Brown, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Udem, 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 3, 2023

By:

/s/ Greg Brown
Greg Brown
President and,
Chief Executive Officer
(Principal Executive Officer)

**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**

I, Sarah Blanchard, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of UdeMY, 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 3, 2023

By:

/s/ Sarah Blanchard
Sarah Blanchard
Chief Financial Officer
(Principal Financial Officer)

**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 on Form 10-Q of Udem, Inc. (the "Company") for the period ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 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, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Udem, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.

By:

Date: May 3, 2023

/s/ Greg Brown
Greg Brown
President and,
Chief Executive Officer
(Principal Executive Officer)

**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 on Form 10-Q of Udemy, Inc. (the "Company") for the period ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 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, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Udemy, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.

Date: May 3, 2023

By:

Is/ Sarah Blanchard
Sarah Blanchard
Chief Financial Officer
(Principal Financial Officer)