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2U, Inc. Form 10-Q August 06, 2014 Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2014

or

o 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: 001-36376

2U, INC.

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(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	26-2335939 (I.R.S. Employer Identification No.)
8201 Corporate Drive, Suite 900 Landover, MD (Address of principal executive offices)	20785 (Zip Code)
(301) 892-4350)
(Registrant s telephone number,	including area code)
Indicate by check mark whether the registrant (1) has filed all reports required to Act of 1934 during the preceding 12 months (or for such shorter period that the subject to such filing requirements for the past 90 days. S Yes £ No	
Indicate by check mark whether the registrant has submitted electronically and prile required to be submitted and posted pursuant to Rule 405 of Regulation S-T for such shorter period that the registrant was required to submit and post such f	(§ 232.405 of this chapter) during the preceding 12 months (or
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer and one):	
Large accelerated filer o Accelerated filer o Non-accelera	ted filer x Smaller reporting company o
Indicate by check mark whether the registrant is a shell company (as defined in	Rule 12b-2 of the Exchange Act) f Yes S No

As of August 4, 2014, there were 40,266,479 shares of Common Stock, par value \$0.001 per share, outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

2U, Inc. Condensed Consolidated Balance Sheets

(in thousands, except share and per share amounts)

Current assets		December 31, 2013	June 30, 2014 (unaudited)
Cash and cash equivalents \$ 7,012 104,762 Accounts receivable, net 1,835 655 Advance to clients, current 581 1 Prepaid expenses 1,763 2,773 Total current assets 11,191 108,190 Property and equipment, net 5,231 5,741 Capitalized content development costs, net 8,904 11,034 Advance to clients, non-current 8,904 11,034 Advance to clients, non-current 3,326 1,745 Total assets \$ 28,652 127,860 Liabilities, redeemable convertible preferred stock and stockholders equity (deficit) 2 2 12,786 Liabilities, redeemable convertible preferred stock and stockholders equity (deficit) 3,08 4,085 4,085 Accounts payable \$ 5,089 \$ 4,085 4,085	Assets		
Accounts receivable, net 1,835 655 Advance to clients, current 581 773 Prepaid expenses 1,763 2,773 Total current assets 11,191 108,190 Property and equipment, net 5,231 5,741 Capitalizace doutent development costs, net 8,904 11,034 Advance to clients, non-current 3,26 1,745 Other non-current sasets 3,326 1,745 Total assets \$ 28,652 127,860 Liabilities, redeemable convertible preferred stock and stockholders equity (deficit) 8 2,652 127,860 Current liabilities \$ 5,089 4,085 4,085 Accounts payable \$ 5,089 4,085 4,085 Accrued expenses and other current liabilities 1,2025 13,326 12,326 Refunds payable \$ 5,089 \$ 4,085 2,027 131 2,027 151 1,566 12,396 1,571 1,566 1,566 1,571 1,566 0ther non-current liabilities 22,629 34,042 1,566 0the			
Advance to clients, current Prepaid expenses 1,763 2,773 1,761 1,1619 108,199 1,1611 1,1619	•	\$	\$
Prepaid expenses 1,763 2,773 Total current assets 11,191 108,190 Property and equipment, net 5,231 5,741 Capitalized content development costs, net 8,904 11,034 Advance to clients, non-current 3,36 1,745 Total assets 28,652 127,860 Liabilities, redeemable convertible preferred stock and stockholders equity (deficit) 12,025 13,326 Current liabilities 5,089 \$ 4,085 Accounts payable \$ 5,089 \$ 4,085 Accounts payable 12,025 13,326 Deferred revenue 1,266 12,396 Refunds payable 1,511 3,506 Refunds payable 20,211 31,834 Refunds payable 3,81 2,211 Refunds payable 8,87 6,42 Total current liabilities 20,211 31,834 Rebate reserve 1,517 1,566 Other non-current liabilities 22,629 34,042 Total liabilities 1,511 1,564		,	655
Total current assets 11,191 108,190 Property and equipment, net 5,231 5,741 Capitalized content development costs, net 8,904 11,034 Advance to clients, non-current 3,326 1,745 Other non-current assets \$ 28,652 \$ 12,786 Total assets \$ 28,652 \$ 217,860 Liabilities, redeemable convertible preferred stock and stockholders equity (deficit) \$ 28,652 \$ 13,786 Current liabilities \$ 5,089 \$ 4,085 Accounts payable \$ 5,089 \$ 4,085 Accrued expenses and other current liabilities 12,025 13,326 Deferred revenue 1,266 12,396 Refunds payable 1,813 2,027 Total current liabilities 20,211 31,834 Rebate reserve 1,571 1,566 Other non-current liabilities 22,629 34,042 Total liabilities 22,629 34,042 Redeemable convertible Series A preferred stock, \$0.001 par value, 10,033,976 shares 12,384 Redeemable convertible Series A preferred stock, \$0.001 par value, 10,03			
Property and equipment, net			2,773
Capitalized content development costs, net 8,904 11,034 Advance to clients, non-current 3,326 1,745 Other non-current assets \$ 28,652 \$ 127,860 Total assets \$ 28,652 \$ 127,860 Liabilities, redeemable convertible preferred stock and stockholders equity (deficit) Current liabilities \$ 5,089 \$ 4,085 Accounts payable \$ 5,089 \$ 4,085 Accounts payable \$ 12,025 \$ 13,326 Deferred evenue 1,266 12,396 Refunds payable 1,831 2,027 Total current liabilities 20,211 31,834 Rebate reserve 1,571 1,566 Other non-current liabilities 22,629 34,042 Commitments and contingencies (Note 6) 847 642 Redeemable convertible preferred stock. 8,0001 par value, 10,033,976 shares 12,384 Redeemable convertible Series A preferred stock, \$0,001 par value, 10,033,976 shares 12,384 12,384 Redeemable convertible Series B preferred stock, \$0,00	Total current assets		108,190
Advance to clients, non-current 1,150 Other non-current assets 3,326 1,745 Total assets \$28,652 \$127,860 Liabilities, redeemable convertible preferred stock and stockholders equity (deficit) Current liabilities:		5,231	5,741
1,745	Capitalized content development costs, net	8,904	
Total assets \$ 28,652	Advance to clients, non-current		
Liabilities, redeemable convertible preferred stock and stockholders equity (deficit) Current liabilities: Accounts payable \$ 5,089 \$ 4,085 Accrued expenses and other current liabilities 12,025 13,326 Deferred revenue 1,266 12,396 Refunds payable 1,266 12,396 Refunds payable 1,831 2,027 Total current liabilities 20,211 31,834 Rebate reserve 1,571 1,571 1,566 Other non-current liabilities 8,47 642 Total liabilities 22,629 34,042 Total liabilities 22,629 34,042 Total liabilities 22,629 34,042 Total liabilities 22,629 34,042 Redeemable convertible Series A preferred stock, \$0.001 par value, 10,033,976 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares	Other non-current assets	3,326	1,745
Current liabilities:	Total assets	\$ 28,652	\$ 127,860
Accounts payable Accound expenses and other current liabilities 12,025 13,326 Deferred revenue 1,266 12,396 Refunds payable 1,831 2,027 Total current liabilities 20,211 31,834 Rebate reserve 1,571 1,566 Other non-current liabilities 22,629 34,042 Total liabilities 22,629 34,042 Total liabilities 22,629 34,042 Total liabilities 22,629 34,042 Total corrent liabilities 847 642 Total liabilities 847 642 Total current liabilities 847 642 Total current liabilities 847 642 Total current liabilities 847 642 Total liabilities 847 642 Redeemable convertible preferred stock, \$0.001 par value, 10,033,976 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series C preferred stock, \$0.001 par value, 4,429,601 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series D preferred stock, \$0.001 par value, 4,069,352 shares authorized, 3,979,730 shares issued and outstanding as of December 31, 2013; 0 shares	Liabilities, redeemable convertible preferred stock and stockholders equity (deficit)		
Accrued expenses and other current liabilities 12,025 13,326 Deferred revenue 1,266 12,396 Refunds payable 1,831 2,027 Total current liabilities 20,211 31,834 2,027 Total current liabilities 20,211 31,834 2,027 Total current liabilities 20,211 1,556 Other non-current liabilities 847 642 Total liabilities 22,629 34,042 Commitments and contingencies (Note 6)	Current liabilities:		
Deferred revenue 1,266 12,396 Refunds payable 1,831 2,027 Total current liabilities 20,211 31,834 Rebate reserve 1,571 1,566 Other non-current liabilities 20,251 22,629 34,042 Total liabilities 22,629 34,042 Redeemable convertible preferred stock: Redeemable convertible preferred stock, \$0.001 par value, 10,033,976 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 22,210 Redeemable convertible Series C preferred stock, \$0.001 par value, 4,29,601 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares	Accounts payable	\$ 5,089	\$ 4,085
Refunds payable 1,831 2,027 Total current liabilities 20,211 31,834 Rebate reserve 1,571 1,566 Other non-current liabilities 847 642 Total liabilities 22,629 34,042 Total liabilities 22,629 34,042 Commitments and contingencies (Note 6) Redeemable convertible preferred stock. Redeemable convertible Series A preferred stock, \$0.001 par value, 10,033,976 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 12,384 Redeemable convertible Series B preferred stock, \$0.001 par value, 5,057,901 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 22,210 Redeemable convertible Series C preferred stock, \$0.001 par value, 4,429,601 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares	Accrued expenses and other current liabilities	12,025	13,326
Total current liabilities 20,211 31,834 Rebate reserve 1,571 1,566 Other non-current liabilities 847 642 Total liabilities 22,629 34,042 Commitments and contingencies (Note 6) Redeemable convertible preferred stock: Redeemable convertible Series A preferred stock, \$0.001 par value, 10,033,976 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 12,384 Redeemable convertible Series B preferred stock, \$0.001 par value, 10,033,976 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 22,210 Redeemable convertible Series C preferred stock, \$0.001 par value, 4,429,601 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, 3,979,730 shares issued and outstanding as of December 31, 2013; 0 shares	Deferred revenue	1,266	12,396
Rebate reserve 1,571 1,566 Other non-current liabilities 847 642 Total liabilities 22,629 34,042 Commitments and contingencies (Note 6) Redeemable convertible preferred stock: Redeemable convertible Series A preferred stock, \$0.001 par value, 10,033,976 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 12,384 Redeemable convertible Series B preferred stock, \$0.001 par value, 5,057,901 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series C preferred stock, \$0.001 par value, 4,429,601 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series D preferred stock, \$0.001 par value, 4,429,601 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series D preferred stock, \$0.001 par value, 4,069,352 shares authorized, 3,979,730 shares issued and outstanding as of December 31, 2013; 0 shares	Refunds payable	1,831	2,027
Other non-current liabilities 847 642 Total liabilities 22,629 34,042 Commitments and contingencies (Note 6) Redeemable convertible preferred stock: Redeemable convertible Series A preferred stock, \$0.001 par value, 10,033,976 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 12,384 Redeemable convertible Series B preferred stock, \$0.001 par value, 5,057,901 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 22,210 Redeemable convertible Series C preferred stock, \$0.001 par value, 4,429,601 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 32,405 Redeemable convertible Series D preferred stock, \$0.001 par value, 4,069,352 shares authorized, 3,979,730 shares issued and outstanding as of December 31, 2013; 0 shares authorized, 3,979,730 shares issued and outstanding as of December 31, 2013; 0 shares	Total current liabilities	20,211	31,834
Total liabilities 22,629 34,042 Commitments and contingencies (Note 6) Redeemable convertible preferred stock: Redeemable convertible Series A preferred stock, \$0.001 par value, 10,033,976 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 12,384 Redeemable convertible Series B preferred stock, \$0.001 par value, 5,057,901 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 22,210 Redeemable convertible Series C preferred stock, \$0.001 par value, 4,429,601 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 32,405 Redeemable convertible Series D preferred stock, \$0.001 par value, 4,069,352 shares authorized, 3,979,730 shares issued and outstanding as of December 31, 2013; 0 shares	Rebate reserve	1,571	1,566
Commitments and contingencies (Note 6) Redeemable convertible preferred stock: Redeemable convertible Series A preferred stock, \$0.001 par value, 10,033,976 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series B preferred stock, \$0.001 par value, 5,057,901 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series C preferred stock, \$0.001 par value, 4,429,601 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 32,405 Redeemable convertible Series D preferred stock, \$0.001 par value, 4,069,352 shares authorized, 3,979,730 shares issued and outstanding as of December 31, 2013; 0 shares	Other non-current liabilities	847	642
Redeemable convertible preferred stock: Redeemable convertible Series A preferred stock, \$0.001 par value, 10,033,976 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series B preferred stock, \$0.001 par value, 5,057,901 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series C preferred stock, \$0.001 par value, 4,429,601 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series D preferred stock, \$0.001 par value, 4,069,352 shares authorized, 3,979,730 shares issued and outstanding as of December 31, 2013; 0 shares authorized, 3,979,730 shares issued and outstanding as of December 31, 2013; 0 shares	Total liabilities	22,629	34,042
Redeemable convertible Series A preferred stock, \$0.001 par value, 10,033,976 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series B preferred stock, \$0.001 par value, 5,057,901 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series C preferred stock, \$0.001 par value, 4,429,601 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series D preferred stock, \$0.001 par value, 4,069,352 shares authorized, 3,979,730 shares issued and outstanding as of December 31, 2013; 0 shares	Commitments and contingencies (Note 6)		
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outstanding as of June 30, 2014 Redeemable convertible Series B preferred stock, \$0.001 par value, 5,057,901 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series C preferred stock, \$0.001 par value, 4,429,601 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series D preferred stock, \$0.001 par value, 4,069,352 shares authorized, 3,979,730 shares issued and outstanding as of December 31, 2013; 0 shares	Redeemable convertible Series A preferred stock, \$0.001 par value, 10,033,976 shares		
Redeemable convertible Series B preferred stock, \$0.001 par value, 5,057,901 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series C preferred stock, \$0.001 par value, 4,429,601 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series D preferred stock, \$0.001 par value, 4,069,352 shares authorized, 3,979,730 shares issued and outstanding as of December 31, 2013; 0 shares	authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and		
5,057,901 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series C preferred stock, \$0.001 par value, 4,429,601 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series D preferred stock, \$0.001 par value, 4,069,352 shares authorized, 3,979,730 shares issued and outstanding as of December 31, 2013; 0 shares	outstanding as of June 30, 2014	12,384	
authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series C preferred stock, \$0.001 par value, 4,429,601 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series D preferred stock, \$0.001 par value, 4,069,352 shares authorized, 3,979,730 shares issued and outstanding as of December 31, 2013; 0 shares	Redeemable convertible Series B preferred stock, \$0.001 par value,		
Redeemable convertible Series C preferred stock, \$0.001 par value, 4,429,601 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series D preferred stock, \$0.001 par value, 4,069,352 shares authorized, 3,979,730 shares issued and outstanding as of December 31, 2013; 0 shares	5,057,901 shares authorized, issued and outstanding as of December 31, 2013; 0 shares		
4,429,601 shares authorized, issued and outstanding as of December 31, 2013; 0 shares authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series D preferred stock, \$0.001 par value, 4,069,352 shares authorized, 3,979,730 shares issued and outstanding as of December 31, 2013; 0 shares	authorized, issued and outstanding as of June 30, 2014	22,210	
authorized, issued and outstanding as of June 30, 2014 Redeemable convertible Series D preferred stock, \$0.001 par value, 4,069,352 shares authorized, 3,979,730 shares issued and outstanding as of December 31, 2013; 0 shares	Redeemable convertible Series C preferred stock, \$0.001 par value,		
Redeemable convertible Series D preferred stock, \$0.001 par value, 4,069,352 shares authorized, 3,979,730 shares issued and outstanding as of December 31, 2013; 0 shares	4,429,601 shares authorized, issued and outstanding as of December 31, 2013; 0 shares		
authorized, 3,979,730 shares issued and outstanding as of December 31, 2013; 0 shares	authorized, issued and outstanding as of June 30, 2014	32,405	
authorized, 3,979,730 shares issued and outstanding as of December 31, 2013; 0 shares			
	authorized, issued and outstanding as of June 30, 2014	31,048	

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Total redeemable convertible preferred stock		98,047			
Stockholders equity (deficit):					
Preferred stock, \$0.001 par value, 0 shares authorized, issued and outstanding as of December					
31, 2013; 5,000,000 shares authorized, 0 shares issued and outstanding as of June 30, 2014					
Common stock, \$0.001 par value, 60,000,000 shares authorized, 7,629,133 shares issued and					
outstanding as of December 31, 2013; 200,000,000 shares authorized, 40,259,230 shares					
issued and outstanding as of June 30, 2014		8	40		
Additional paid-in capital		7,817	211,272		
Accumulated deficit		(99,849)	(117,494)		
Total stockholders equity (deficit)		(92,024)	93,818		
Total liabilities, redeemable convertible preferred stock and stockholders equity (deficit)	\$	28,652 \$	127,860		

See accompanying notes to the condensed consolidated financial statements.

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2U, Inc.

Condensed Consolidated Statements of Operations

(unaudited, in thousands, except share and per share amounts)

	Three Months Ended June 30,			Six Months Ended June 30,			
		2013		2014	2013		2014
Revenue	\$	18,691	\$	24,744	\$ 37,825	\$	51,076
Costs and expenses:							
Servicing and support		5,656		7,000	10,674		13,248
Technology and content development		4,596		5,818	7,831		11,492
Program marketing and sales		13,695		16,710	25,465		31,951
General and administrative		3,654		5,708	6,525		11,144
Total costs and expenses		27,601		35,236	50,495		